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**THURSDAY, NOVEMBER 14, 1935**



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# The National Underwriter

## A WEEKLY NEWSPAPER OF INSURANCE

Thirty-Ninth Year—No. 46

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER 14, 1935

\$4.00 Per Year, 20 Cents a Copy

### All-Inclusive Form Seen As Inevitable

Supplemental Fire Contract Viewed as Step in Meeting Public Demand

#### MODERN METHOD NEEDED

Many Company Officials Believe Move to Write General Comprehensive Might Be Approved

NEW YORK, Nov. 13.—The supplemental contract of fire companies is regarded as a step toward the "all inclusive" coverage policy by company officials who feel that eventually they will have to write the latter type of coverage in order fully to meet the demand of a considerable section of the insuring public. From the company standpoint the desirability of such a departure is obvious, primarily in that it would enable carriers to maintain premium incomes now seriously threatened through steady reduction in average rate, the comparative slowness of stocks of merchandise carried and of new offerings generally. Meantime the expense factor moves upward year by year.

#### Urge All-Inclusive Policy

In the minds of some company chiefs, the most effective method for gaining additional premiums would be to broaden fire coverage so as to include virtually every hazard to which property is subjected, charging, of course, an additional premium for each hazard indemnified against, the aggregate charge to be less than the sum of all the coverages if written singly.

Aside from the additional revenue which a broad form policy would yield, an argument in favor of its issuance is that it would meet favor of property-owners who now feel aggrieved when loss is sustained through hazards not covered under the present straight fire or supplemental contract. If an all-inclusive policy were submitted a prospective assured, and he felt he might safely dispense with certain coverages named therein, these could be eliminated by endorsement, the property-owner then realizing exactly what hazards he was insured against.

There could be no bickering as to liability in the event of loss for damage resulting through one or more of the hazards specifically rejected, and the agent would be able to place responsibility squarely upon the shoulders of his client.

#### Law Conflict a Factor

The immediate comeback to the suggestion, of course, is that the laws of few states would permit issuance of such a form despite broad charter powers possessed by most fire companies. That the hurdle is a difficult one is conceded, yet the impression persists that eventually it could be jumped. There is

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### W. U. A. Sends Bulletin on Cancellation Procedure

#### COOL TO FIRST CLASS MAIL

Legal Opinion Is Quoted—Action Apparently Prompted by London Assurance Plan

Apparently prompted by a recent publicity release on the subject by the London Assurance, the Western Underwriters Association has circularized its membership with an opinion rendered about a year ago by the Chicago law firm of Hicks & Folonie on the advisability of canceling fire policies by ordinary first class mail and the use of a receipt from the post office department for such mail cancellation notice under post office department receipt form No. 3817, for which a fee of 1 cent is charged.

"All members," the W. U. A. bulletin states, "report numerous instances of agents objecting to company requirements for approved registered letter notices when policies are to be canceled by mail."

#### Used on Auto Policies

The London Assurance has been using form No. 3817 for cancellation of automobile policies for some time and in its recent release expressed the belief that this more economical form is also sound for fire policies, since registered notices are not specifically required in the fire insurance contract.

The Hicks & Folonie opinion which was prepared by the late Ernest Hicks, is as follows:

"The policy provides it may be canceled by giving five days notice of such cancellation to the insured. How this notice is given makes no particular difference. It may be by registered mail, or ordinary mail, or an oral or written notice by the agent. The whole question turns upon the ability of the company or its representatives to prove that five days notice was given. The burden of this is upon the company, and while there has always been some doubt about giving notice by mail, I am of the opinion that if a registered notice is sent the insured, and he signs a receipt for the same in his own handwriting and returns the receipt to the company or its agent, that is the best proof obtainable by cancellation through the mail.

#### Question for Jury

"Whereas, if an ordinary notice is sent, without being registered, while the company or its agent might prove the fact of writing the notice and depositing it in the United States mail for delivery, the United States mail then becomes the agent of the company for delivery; and if the insured, on the stand, swears he never received such notice, it would then become a question of fact for the jury and they could well hold under such evidence that no notice was given and that the policy was in full force and effect.

"The whole question, as I see it, depends entirely upon the ability of the company or its agent to show by preponderance of the evidence that the insured received five days notice of the

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### A. N. Hoffman Heads the South Dakota Local Agents

#### ANNUAL MUSTER AT MITCHELL

Much Interest Is Manifested in Efforts to Enlarge the Organization and Strengthen It

A. N. Hoffman of Hoffman & Co. of Aberdeen, S. D., has been elected president of the Fire & Casualty Agents of South Dakota, the state association. Miner Shaw of Sioux Falls becomes vice-president and George V. Robertson of Milligan & Robertson of Aberdeen is secretary and treasurer. These three are directors and the two others are J. L. Curran, Lead, and E. E. Dubes of Armour.

The annual meeting was held at Mitchell. There were 29 agents present. The South Dakota agents are greatly interested in the organization and intend to develop it. There is promise of an increase in members throughout the state. The interest in the recent session of the legislature on insurance bills was very keen and it convinced the state officers that the agents will work when they have a definite problem before them.

#### Local Board Committee

A special committee was appointed to take up the question of organizing local boards and strengthening those already in existence. There were two definite objectives set forth for local boards. First, to contact the senators and representatives from their districts and next, to eliminate the appointment of side-liners as agents for board companies.

Great interest was taken in the furtherance of safety campaigns to reduce automobile accidents. A special committee will be appointed to further the movement in the state.

#### Round Table Discussion

There were round table discussions on underwriting rules, collection of premiums and company relationships. A get-together luncheon was held the day of the meeting.

Miner Shaw of Sioux Falls presided at the meeting, he being president, having held the office for two years. Jay B. Allen of Sioux Falls is the retiring secretary-treasurer. About 200 agents in South Dakota enlisted in the cause during Mr. Shaw's regime.

### Cowton Succeeds Dunbar as Nebraska Agents Head

George W. Cowton, Grand Island, Neb., has been elected president of the Nebraska Association of Insurance Agents, succeeding A. B. Dunbar, who asked to be relieved of the duties in order to attend to those of membership in the executive committee of the National Association of Insurance Agents. Mr. Cowton was formerly president.

### Illinois Code in Lap of the Gods

General Prediction is Made That It Will Die in Committee

#### MANY FACTORS INVOLVED

Strong Supporters, However, Appeared at the Hearing, and Spoke in Its Behalf

It seems to be the general impression of keen observers that the new insurance code introduced in the special session of the Illinois legislature will not have much of a chance of seeing the light of day. Many who are in close touch with the political situation give it as their opinion that it may not get out of the senate committee. It has not been introduced in the house yet. There are probably a number of causes that militate against the successful emergence of the code into statutory law. The political conditions are running at cross currents. There is more or less personal feeling involved. There is some hostility against the insurance department's action in promoting the code.

#### Two Insurance Organizations Oppose

The most outstanding opposition to the code at the senate hearing came from the Association of Casualty & Surety Executives and the National Board of Fire Underwriters. The casualty opposition was particularly strong, it being voiced by Attorney Thomas F. Reilly of Chicago. He presented 13 or 14 specific counts and then uttered a sweeping objection to the code as a whole declaring that it granted far too much power to the state insurance director, which might make him practically a dictator. Attorney Reilly objected to some of the new and revised provisions in the code. E. M. Griggs, assistant general counsel of the National Board of Fire Underwriters at Chicago, brought forth some objections, although he was not as pronounced as Attorney Reilly. Both objected to the rating section for fire and casualty companies and the vexatious delay provision.

#### Code Has Strong Champions

Aside from the objections from these two great organizations, most others who were present and either spoke or did not were in favor of passing the code, though there were some sections that might be objectionable. It was generally agreed that the rating section should be drafted in a separate bill. Others who voiced their opinion took the position that faults could be found with one section or another but as a whole the code represented a distinct advance and should be passed. E. A. Olson, president of the Mutual Trust Life, was strong in his view that Illinois should have a modern set of in-

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## Pacific Board and Veterans Welfare Group in Agreement

### SIGN INSURANCE CONTRACT

Gives Signatory Companies Line on Properties of Veterans Financed by California Board

SAN FRANCISCO, Nov. 13.—Negotiations which have been pending between the Pacific Board and California State Veterans Welfare Board looking toward mutual understanding and an agreement for writing fire insurance and supplemental lines on structures under control of the Veterans Board were successfully concluded when members of the Veterans Board formally approved and signed the agreement which companies signed about two weeks ago. It is expected the arrangement will go in effect immediately.

The agreement gives Pacific Board companies which signed the agreement all fire business controlled by the Veterans Board, which is the lending body for veterans desiring to have homes financed.

#### Details of Agreement

Each company will issue a master policy, retaining it and issuing certificates bearing the same number as the master policy. The rate agreed upon is 75 cents for five years, including supplemental coverages on dwellings and garages. The rate for the five-year term on farms is \$1.50.

At present there are comparatively few farms involved, the estimate being 400 of the more than 12,000 loans outstanding. It has been calculated that many thousands more will be added during the next few years as result of the additional \$30,000,000 voted by the people of California last year for the same purpose.

#### Provision for Cancellation

The agreement is an individual company contract except as to the automatic and error and omission provisions. The master policies and agreement, which are for five years, may be cancelled on notice of one year prior to expiration of master policies and agreement. Should any company become insolvent or cease operations in California, the Veterans Board will place the business in another signatory company.

If the insurance certificate is not in the hands of the Veterans Board at least 15 days prior to expiration of existing insurance, or 15 days after acquisition of new properties, the Veterans Board agrees to use due diligence in placing the insurance, prior to expiration of existing insurance, in signatory companies through licensed agents or brokers of its own selection but preferably those located in the community where the property covered is located.

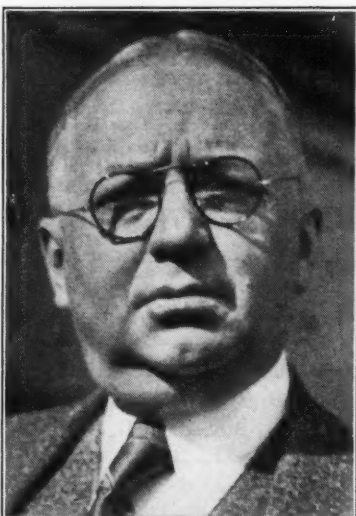
#### Automatic Coverage

The companies grant in the master policies, automatic coverage for 90 days on all properties not covered by specific insurance immediately upon being acquired by the Veterans Board. This automatic coverage is to be for actual value of property but under no conditions in excess of \$8,000 on property covered by one loan. The automatic coverage will be apportioned to all signatory companies in the proportion that liability of each company under its master policy bears to liability of all companies under such certificates in force and effect at the time a loss occurs.

If a loss occurs prior to issuance of a certificate, the Veterans Board can name any signatory company as the company involved. In event of insolvency or failure of any company participating in the automatic coverage to pay its proportion of any loss, the liability of such company shall be paid by the remaining companies in the proportion.

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## Heads the Committee on Delinquent Tax Issue



JOSEPH S. TOBIN

Company people will be interested in the report at the commissioners convention of the special committee on delinquent taxes of which Joseph S. Tobin of Tennessee is chairman. The activities of a firm of tax ferrets in New York, working in behalf of the Texas department, has caused the companies much concern. Some of the other southern states have arranged for the ferrets to search for any taxes, to which they might lay claim, while the ferrets are conducting their search in behalf of Texas. The question of examination of companies for tax purposes is tied up with the general question of company examinations and the proposal for more general convention examinations of companies rather than relying on the home state examination.

The Bergen County Association of Insurance Agents now has 68 members, making it the largest county association in New Jersey.

## Require Powers-of-Attorney for Reciprocal, Exchanges

### RULING IN NORTH CAROLINA

Commissioner Boney Demands End to Practices Not in Interest of Policyholders

North Carolina has ruled against reciprocal or inter-insurance exchanges doing business without signed powers-of-attorney. Commissioner Dan C. Boney in his ruling says some reciprocals have adopted the practice of waiving the requirement that members execute a power of attorney designating the attorney-in-fact to act in their behalf and in other cases the agents of the reciprocals have been executing these powers of attorney for the assured without his knowledge. The exchanges are directed to bring such practices to an end.

#### Waive Signature Requirement

Some reciprocals are not disposed to let their policyholders know what kind of insurance they are getting. Especially in automobile reciprocals which deal with people unfamiliar with business, the requirement of a signature sets up a big sales resistance because of the natural reluctance of such people to sign unknown documents. Therefore some concerns avoid the requirement of a signature, which might lead to embarrassing questions. The policyholders are thus left in ignorance of the fact that they are not getting regular insurance. The practice is rather widespread and also of long standing, in many states besides North Carolina.

#### December "Firemen's Month"

In recognition of the 80th anniversary of launching of the Firemen's of Newark, December has been designated Firemen's birthday month by the group. Agents throughout the country have been asked to celebrate the event by setting a new business production record.

## Salaried Agent Question Is Being Tested in Two Suits

### LICENSING IS IN BALANCE

Georgia Court Holds Law Provision Unconstitutional; Similar Issue Is Up in Indiana

ATLANTA, GA., Nov. 13.—The Hartford Steam Boiler and its agent, W. M. Frances, won their case against Insurance Commissioner W. B. Harrison in Judge Humphries' Fulton county superior court here. Judge Humphries declared an act of the 1935 legislature prohibiting licensing of salaried agents of stock insurance companies was unconstitutional, and granted a mandamus absolute against Commissioner Harrison. He held that the act was arbitrary and unreasonable discrimination, depriving agents of stock insurance companies of their rights.

Unless Commissioner Harrison appeals the case, which is probable, the decision of Judge Humphries will nullify the act of the legislature. The case was a test of Commissioner Harrison's interpretation of the Georgia law, and involved a number of insurance agents.

#### INDIANA SUIT BROUGHT

James Schoonover, an insurance agent of Vincennes, Ind., representing the Millers Mutual of Illinois, brought suit in Marion county superior court at Indianapolis to test constitutionality of the recently enacted insurance code, naming as defendants Insurance Commissioner H. E. McClain and Attorney-General Philip Lutz, Jr. Declaratory judgment is asked for, Nov. 25 being the return date on the court's calendar.

The suit is an attack upon the section of the code making it unlawful for policies to be signed by other than authorized agents whose compensation is on a commission basis. Schoonover is a salaried agent for the company with title of inspector but functioning as an agent as well. He cannot be licensed under the law as an agent because his compensation is on a salary basis. A large number of salaried agents and companies are affected similarly to Schoonover by the new law and it is believed the "et al" in the title of the suit represents a group of such interests. Counsel for defense is the Indianapolis law firm of Dailey, O'Neal, Dailey & Elfroymsen.

#### Hail Committee Meeting

The hail advisory committee of the Western Hail Adjustment Association is meeting this week in Chicago, many being at the conference. J. B. Cullison, Jr., of the Rain & Hail Insurance Bureau is chairman of the committee, which is made up of hail underwriters of the member companies. At this meeting experience for the past year will be compared and recommendations to be presented at the meeting of the executive committee of the Hail Association on Dec. 3 will be drawn up.

J. H. MacFarlane of the America Fore is president of the Western Hail Adjustment Association. W. P. Robertson of the North America vice-president, W. H. Lininger of the Springfield, secretary-treasurer and H. W. Chesley of the Western Underwriters Association, assistant secretary.

#### Piedmont Fire Surplus

Through a misunderstanding the financial statement of the Piedmont Fire shown in the 1935 Underwriters Handbook of Michigan recently published by THE NATIONAL UNDERWRITER did not contain its most recent figures. The May 1, 1935, statement of the Piedmont Fire, which is now handled by the western department of the Aetna Fire through the office of W. N. Achenbach, shows capital \$500,000, assets \$1,355,073, policyholders' surplus \$1,011,438, and liabilities \$343,635.

## THE WEEK IN INSURANCE

Western Underwriters Association bulletins members with legal opinion on use of first class mail to cancel policies. **Page 1**

It seems unlikely that the proposed Illinois insurance code will see the light of day. **Page 1**

American of Newark is assigned the contract to handle the insurance on properties coming in possession of the insurance and banking department. **Page 17**

Advisory committee of the Chicago Board will take up the matter of reducing rates on dwellings and other preferred classes. **Page 3**

Prohibition in Georgia and Indiana law against licensing salaried insurance agents being tested in suits; Hartford Steam Boiler and its salaried agent win case against Insurance Commissioner Harrison in Georgia. **Page 2**

Commissioner Sullivan instructs the Northwestern Mutual Fire of Seattle to retire from Louisiana rather than submit to an examination by that department. **Page 15**

Joint company and agency committee considers contingent commission plan for Pennsylvania. **Page 4**

Annual meeting of the South Dakota local agents organization is held at Mitchell. **Page 1**

The Lincoln National Life is terminating its life insurance arrangement with the grand nest of the Blue Goose and a new contract is being formulated with the Old Line Life of Milwaukee. **Page 10**

Automobile insurance data for Pennsylvania requested of companies by Commissioner Hunt for study of rate situation; believes independent bureau is needed. **Page 31**

Fire rate cut of 10 percent in Missouri on new business only announced by Superintendent O'Malley after agreement with companies. **Page 3**

Latest information on insurance features of Florida hurricane is presented. **Page 10**

Writing of personal property floater in Washington made permissible by Commissioner Sullivan in ruling revising definition of marine powers. **Page 28**

Insurance on California veterans' property financed by state board goes to Pacific Board signatory companies under agreement finally approved. **Page 2**

Insurance reserve and surplus funds enviously eyed by law makers seeking new avenues of taxation. **Page 4**

Miscellaneous liability offers great opportunity, Redding of Aetna Casualty tells Insurance Society of New York. **Page 33**

Standard automobile liability form has many advantages and benefits, Spottke of National Casualty Bureau declares in exposition of contract. **Page 31**

The bone of contention between the Philadelphia agents and the Eastern Underwriters Association regarding solicitors seems to be on the eve of being settled in an amicable way. **Page 3**

Powers-of-attorney properly signed required of reciprocals and inter-insurance exchanges operating in North Carolina by Commissioner Boney. **Page 2**

Contingent commission ideas offered by Albert R. Wenart in report as chairman of special committee on subject at Southern Agents Conference in Atlanta. **Page 3**

Commissioner Hunt of Pennsylvania warns companies he will hold them responsible for taking business from unlicensed brokers. **Page 16**



## Thoughts Outlined on Contingent Fee

A. R. Wenart Reports for Committee at Southern Agents Conference

### SEEN AS NOVEL IDEAS

Finds Incompetent Agents Being Paid Too Much and Competent Ones Not Enough

Novel and perhaps sound ideas on contingent commissions were offered by Albert R. Wenart in his report as chairman of the special committee on contingent commissions to the Southern Agents Conference held recently in Atlanta. What chance they have for adoption remains to be seen. Mr. Wenart declared that on flat commissions the companies should cease to ask or expect any local agency underwriting, the effect of which on a flat commission basis has always been and will always be to penalize the real agent.

"Personally I cannot believe that this is a proper manner of conduct for a business of the magnitude and importance of insurance," he declared. "I believe in the propriety and soundness of contingent commissions as a business principle. Therein lies the future welfare of the American agency system as now constituted and as well the future of stock fire insurance.

#### Expense Factor Too High

"At the risk of being read out of both parties let me say that the expense factor in stock fire insurance is too high. Company expense can and must be reduced; and agents' commissions in the aggregate are too high."

The competent agent is being paid too little, he declared, and the incompetent agent too much. The aggregate for 1933 he gave as 26.66 percent.

"There should be a leveling off, a redistribution," he declared. "This can be accomplished, to the advantage of the real, the competent agent in putting him on his own feet as to earning capacity; and to the advantage of the companies and of stock fire insurance by reducing the pure company expense factor and the commission factor, through a proper system of contingent commissions."

#### Concrete Plan Offered

Appended to the brief report was a concrete plan for payment of contingent commissions embracing six principles which were declared fundamental. The six principles were in brief:

1. A flat basic commission to all agents. This should be high enough to cover expenses and possibly a meager profit, but should not be so high as to attract incompetents nor to enable an agent to make substantial profits on volume alone. The basic commission proposed was 15 percent. This is a reduction of 11.66 percent in the aggregate for 1933 and of 10.85 percent from the average of the 10 years 1924 to 1933.

2. A liberal contingent commission on the profits of the business produced. Mr. Wenart's figure is 20 percent, which he considers conservative. With no losses and a company expense factor set up at 17 percent, this would mean a return to the agent of only 28.6 percent. The commission factor as a whole would undoubtedly be substantially reduced. Good underwriting would be properly rewarded and bad underwriting and unfortunate experience penalized.

3. The company expense factor

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## Missouri Fire Rate Cut of 10 Percent Is Announced

APPLIES TO NEW BUSINESS

Old Controversy and Matter of Impounded Premium Distribution Must Go Through Courts

JEFFERSON CITY, Nov. 13.—A 10 percent reduction in fire insurance rates in Missouri effective immediately was announced here by Superintendent R. E. O'Malley. The cut will result in a rate schedule at least 5 percent lower than that existing when Superintendent Hyde ordered a 10 percent decrease in 1922.

When the supreme court recently rejected a compromise settlement of the 13-year-old controversy O'Malley called attorneys for the companies in conference and the rate reduction resulted.

#### Discontinue Impounding

Although pending suits must follow regular channels of litigation, impounding of funds is automatically discontinued.

"The fire companies have filed rates with the insurance department establishing a rate level of less than 95 whereas they are now collecting upon a rate level of 105," O'Malley stated. "These new rates compare most favorably with the rates charged in our sister states having similar fire protection. This means that the policyholder will, from now on, pay a fair rate instead of paying a much higher one in anticipation of a partial refund when, and if, the litigation is favorably terminated."

He stated the reduction means a saving of approximately \$2,000,000 yearly to Missouri residents. "The insurance companies have been given to understand that the new rate filing does not exempt them from being required to file lower rate schedules if I find that an order requiring a reduction can subsequently be justly made," he concluded.

The rates will not be retroactive and have no direct bearing on litigation pending before the Missouri supreme court and a special three-judge federal tribunal at Kansas City over the 16½ percent rate increase which companies put in effect June 1, 1930.

#### Fund Now Is \$11,000,000

The rate filing takes out of the litigation pending in the state and federal courts the question of rates on future business, leaving only for final determination the question of how the approximately \$11,000,000 impounded excess premiums shall be divided.

The case pending in the Missouri supreme court involves 73 companies and about \$1,786,000 excess premiums impounded by the Cole county circuit court, while at Kansas City 137 individual companies are interested in as many injunction suits. The special court has custody over about \$9,500,000 of premiums.

#### GROUP OPPOSES SETTLEMENT

KANSAS CITY, Nov. 13.—W. J. Gresham and F. M. Kennard, attorneys for about 100 small policyholders, filed with the special three-judge federal court a brief in opposition to the proposed settlement of the Missouri fire rate litigation on the basis of the peace pact reached by Superintendent O'Malley and company representatives last May. The attorneys attacked the proposed settlement as "illegal and unjust." Kimbrough Stone of the U. S. court of appeals, and Judges A. L. Reeves and M. E. Otis of federal district court took under advisement the contention of R. J. Folonise, fire company counsel, that companies be allowed to return excess premiums retroactively to May 1, 1935. The new schedule of rates, filed in its entirety Nov. 11 and effective on that date, should antedate to May 1, Mr.

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## Average Cut of 10 Percent in Chicago Seen

Fire insurance people in Chicago, who do not know the secret, have been indulging in much guessing as to the reason why the program was put through the Chicago Board at this time to reduce rates of the minimum tariff class, including private residences, flats, apartments, private garages and out buildings.

That the predominant motive was political is taken for granted. The various angles are clouded. Some deduced that, because Mayor Kelly of Chicago, was given credit for the reduction, in the newspaper publicity, that there had been an understanding with the city administration. Perhaps the agreement was that Mayor Kelly should have the credit, in return for which the Chicago delegation and the state legislature would guarantee that the pending insurance code would not pass.

#### Mystery in the Program

The program was put through in a somewhat mysterious way. There had been no advance warning, generally it originated with the companies and it probably was engineered by them. Of the 40 company members of the Chicago Board, 37 were present at the special meeting when the resolution authorizing a rate reduction was adopted.

At that meeting, the first part of the resolution, authorizing a rate reduction for risks of the minimum tariff class, was introduced by President Charles Buresh of the board. Then Lyman M. Drake offered the second part of the resolution, recommending that the supplemental contract be revised to make it readily salable. Mr. Drake had several ideas on the subject. Among other things, he suggested that liability for cigarette scorch losses be specifically assumed in the supplemental contract. He said many of these losses are being paid anyway, through subterfuges. Then he criticized the provision that the supplemental contract must be written in the same amount as the fire policy. That, he contended, makes the cost almost prohibitive in many cases.

#### Offsetting the Loss

Apparently the plan is to revise the supplemental contract, so that it will be more attractive, and can be widely sold, so that the premium on this account will offset the loss due to the rate reduction.

P. B. Hosmer suggested that a name other than supplemental contract be

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## Missouri Bar Now Seeks to Oust Dun & Bradstreet

ST. LOUIS, Nov. 13.—Attorney-general McKittrick has filed suits here to restrain Dun & Bradstreet, Inc., and the Credit Clearing House Adjustment Corporation from engaging in the alleged unauthorized practice of law. The petitions request the court to forfeit the companies' licenses to do business in Missouri.

The petitions charge the companies have engaged lawyers to bring legal proceedings to collect accounts on behalf of persons or corporations, but that these lawyers were of their own choosing and not designated by the clients served, and that when collections were received part of the claims were retained by the firms and part by the lawyers. Both concerns, it is charged, have engaged in the practice of "splitting fees" with lawyers.

Dun & Bradstreet, Inc., and the Credit Clearing House have announced they will contest the suits.

## Solicitor Issue Nearing Solution

Vexing Philadelphia Problem Is Being Worked Out Through Conference

### RECOMMENDATIONS MADE

Companies Are Now Being Sounded on the Amendment That Has Been Offered

PHILADELPHIA, Nov. 13.—The solicitor question, a serious point of contention between Philadelphia agents and the Eastern Underwriters Association for the past decade, is on the eve of being settled in an amicable fashion. Everything points to the acceptance by the E. U. A. within the next few weeks of an amendment to the qualification rule for solicitors in the by-laws of the Philadelphia & Philadelphia Suburban Underwriters Association as drawn up by the Philadelphia Insurance Agents Association.

A committee of the agents has been conferring with the Philadelphia Committee of the E. U. A. for several weeks. The solicitor question and the proposed amendment were brought up at an informal discussion on Nov. 1.

#### Amendment Proposed

The amendment:

Article X—Agents—Section 3. Each member is free to appoint, in such number as it may deem proper, soliciting agents, none of whom shall be authorized to bind insurance, write or sign policies, but they must not be engaged or employed in the business of banking (including also trust companies), building, manufacturing, or any mercantile pursuit, law or other professions or vocations foreign to insurance and they shall not be compensated in any way in excess of the compensation provided for brokers certified by this association.

All solicitors at present existing or hereafter appointed are required to qualify under the amended section before a qualification committee of two to be selected by the governing committee of the Philadelphia division and a committee of Philadelphia agents.

#### Committee to Have Authority

The qualification committee is to have full authority to review, list and pass upon eligibility of present solicitors as well as new applicants for licenses.

Employment of a disinterested investigator (preferably one not employed in the insurance business) to give an unprejudiced report on blanks furnished by the committee or retail credit reports on all applicants or present license holders if deemed necessary is to be made.

The E. U. A. committee, it is said, agreed that the agents had much justification for its request. Several of those present seemed satisfied to accept the amendment as proposed. However, several of the companies asked for further time so that they could secure complete data on their solicitors; their number and cost and value to the companies.

#### Fear Non-Board Competition

The companies also raised the argument that if they accepted the amendment, they would necessarily be forced to let many of their solicitors go and asked what would prevent non-board companies stepping in and grabbing the solicitors. Should the companies reject the solicitor amendment, which does not appear likely at this time, this fear of

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## Conference Is On with the Companies on Contingent Fee

PHILADELPHIA, Nov. 13.—Members of the conference committee of the Pennsylvania Association of Insurance Agents and Eastern Underwriters Association committee headed by John M. Thomas, president National Union, are meeting here today to talk over the demand of agents, in the Pennsylvania or-

inary department for a contingent commission. Informal discussions were held last night but as the session got under way at noon today there was no indication whether the companies would grant the agents demand for 10 percent contingent, would refuse entirely or would offer rumored compromise of 5 percent.

Other members E. U. A. committee are Edward Milligan, president Phoenix; B. M. Culver, president America Fore; John O. Platt, vice-president, North America; C. F. Shallcross, manager North British.

The agents committee consists of James P. Lavelle, Scranton, chairman;

Charles T. Monk, Philadelphia; Warren R. Roberts, Bethlehem; Henry Schmid, Wilkes-Barre; Kenneth H. Bair, Greensburg.

### Nominating Committee Named

NEW YORK, Nov. 13.—President H. T. Chester, American Institute of Marine Underwriters, has appointed the following committee to nominate officers and standing committees: Chairman, D. F. Cox, president Appleton & Cox; W. D. Winter, president Atlantic Mutual; H. W. Spicer, United States manager Thames & Mersey and United States marine manager, Liverpool & London & Globe.

## Expect Taxation Efforts Again in the Legislatures

### GOVERNMENT SEEKS REVENUE

### Insurance Reserve and Surplus Funds Are Enviously Eyed by Law Makers

NEW YORK, Nov. 13.—Although but nine states are scheduled to hold regular legislative sessions in 1936, as against over 40 that met this year, it is taken for granted insurance interests will come in for the usual share of attention, notably along taxation lines. Virtually every state as well as the federal government is casting about for means of increasing revenue with which to defray unemployment relief, and the large financial accumulations of insurance companies irresistibly suggest a line of approach to legislators.

### Eyes on Huge Reserves

It does not occur to the average law maker that these funds are largely reserves with which to meet assumed liabilities, and to a considerable degree the same holds with respect to surplus accounts, which are subject to call in event of excessive demands.

Companies are kept constantly upon the alert warding off increased premium tax bills, and are not always successful in so doing. While the aggregate revenue received by the states from taxes and fees of various sorts levied upon insurance interests is very large, the call is insistently for still more funds, and is responsible in considerable degree for the mounting expense ratios of companies.

### Louisiana Examiner on a Company Probing Tour

OLYMPIA, WASH., Nov. 13.—Commissioner Sullivan has refused to allow a Louisiana department representative to examine the Northwestern Mutual Fire on his threat to order the company to immediately withdraw from the southern state. The Louisiana examiner abandoned his proposed examination of the Northwestern Mutual and General of Seattle and left for Cleveland where he will examine the Pearl.

Commissioner Sullivan instructed the Northwestern Mutual Fire to retire from Louisiana rather than submit to an examination by the Louisiana department. He said that the expense of the probe would exceed its gross annual direct premiums in Louisiana. The Washington department had just completed its annual examination and a convention examination was made less than two years ago.

At the annual meeting of the Insurance Commissioners Convention at Seattle, there was much complaint made as to the forays of the Louisiana department along examination lines, the feeling being that political jobs were being created for examiners. A committee of five southern commissioners was appointed to take up with the Louisiana department its examination proclivities and endeavor to have it cooperate with the commissioners as to convention examinations. Seemingly the Louisiana officials have not been persuaded to stop these revenue pilgrimages.

### Fur Truck Hijacked

NEW YORK, Nov. 13.—A truck containing an interstate shipment of furs valued at \$60,000 was hijacked here at 34th street and 10th avenue. The furs, covered under a salesman's floater policy, were being sent to Boston for a sales exhibition. No recovery has been made to date. Insurance companies are now submitting such losses to the federal bureau of investigation.



## WANT SOME GOOD POINTERS?

### MILLERS NATIONAL FIELDMEN ARE QUALIFIED CONSULTANTS

PROGRESSIVE AGENTS who endeavor to keep up to date on developments in the business find Millers National fieldmen particularly well informed. Their assistance to the producers on the firing line is a capital feature of Millers National service.

Averaging twenty odd years of practical insurance experience, our staff of fieldmen are qualified consultants. They are men with executive authority, discriminately selected for their experience and ability.

They are equipped to pass along helpful

ideas on everyday agency problems as well as information on the technical phases of insurance. They know how certain agents successfully sell different kinds of policies, how others solve their collection problems, and others save time and confusion by improved accounting systems. This information comes from contacts with many successful agents, and is yours for the asking.

We want you to know the Millers National fieldman in your territory. With your permission we shall ask him to call on you.

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**MILLERS NATIONAL  
INSURANCE COMPANY • CHICAGO**

*Seventy Years of Service and Security*





# When Insurance Men get together

At this season many leases are up for renewal. If your Chicago office is not now located in the Insurance Exchange and your lease is expiring we would like to explain why it will pay you to move your insurance office to 175 West Jackson Boulevard.

"Jim, you should know by this time there's only one really practical place in Chicago for any insurance office and that's the Insurance Exchange.

"We've noticed a satisfying increase in business since we moved into 175 West Jackson Boulevard. The producers didn't know where we were before. . . . They expected us to be in the Insurance Exchange and when they found we weren't there most of them didn't bother to come to us so we had to bring our office to them to get the business. Had to make it convenient for them. We can truthfully say the best move my company ever made in Chicago was when we moved our office into the Insurance Exchange.

"The lease on your present office expires shortly . . . better forget it and look for space now at 175 West Jackson."

The address "Insurance Exchange, 175 West Jackson Boulevard, Chicago," is an unquestioned asset to an insurance office in the Chicago area. The Insurance Exchange is conveniently located in the "loop" and near all railroad stations and hotels. It is thoroughly modern with the best appointments and is kept spotlessly clean. You'll like the treatment accorded you here and your employees will enjoy working in this atmosphere of insurance.

Let us give you complete details on the advantages of having your Chicago office in the Insurance Exchange. No obligation, of course. Write E. W. Rinder, Manager.



IN THE CENTER OF A CITY'S BUSINESS  
IN THE CENTER OF A NATION'S BUSINESS

## INSURANCE EXCHANGE BUILDING

175 W. JACKSON BLVD.  
CHICAGO

E. W. RINDER  
Manager

R. C. SWANSON  
Asst. Mgr.

## NEWS OF THE COMPANIES

### National Standard Plans Now to Reenter the Field

The National Standard Fire of Houston will reenter the field, its business being automatically insured 100 percent with the Yorkshire. The National Standard reinsured its business a number of years ago with the Globe & Rutgers and in 1931 the Globe & Rutgers was succeeded in that capacity by the St. Paul Fire & Marine. It is proposed to put the company into the field quite actively. J. E. Josey is president; Eugene Branshaw, vice-president, and A. S. Boyd, secretary and treasurer. Mr.

Branshaw is Texas general agent of the Yorkshire.

### Ohio Farmers Statement

The Ohio Farmers as of Oct. 1 shows assets \$4,545,222, premium reserve \$2,416,054, surplus \$1,937,220. The surplus includes contingency reserve of \$150,000. The surplus increased about \$500,000 during the first nine months.

### Equity Fire Is Expanding

KANSAS CITY, MO., Nov. 13.—The Equity Fire of this city has entered Texas and Iowa. Roberts & Rhea, Na-

tional Bank building, Fort Worth, have been named general agents for Texas. R. R. Hustader, formerly with the Iowa National Fire, has been named state agent for Iowa, with headquarters at Des Moines.

The Equity, formed in 1907, has been used mostly as a reinsurance company, although it has had for some time a few agents in the immediate Kansas City territory.

### Crum & Forster Dividend Up

Crum & Forster Insurance Shares, New York City, will increase its regular quarterly dividend to 25 cents a share, instead of 15 cents previously paid on the A and B common stocks. It will also pay an extra 20 cents a share on the same issues; all dividends to be paid Nov. 30 to stock of record Nov. 20.

### St. Louis Men Hold Parley With Western Managers

#### DISCUSS MUTUAL PROBLEMS

Younger Agents Had a Town Meeting  
with Members of W. U. A.  
Governing Committee

A group of the younger members of St. Louis were in Chicago last week in conference with members of the governing committee of the Western Underwriters Association to talk over the situation in their city. C. R. Street, Great American, president, D. E. Monroe, Commercial Union, was present from New York, Mr. Monroe, as vice-president of the American Central, resided in St. Louis until it was moved to New York and therefore could give first-hand information. It was an informal discussion. There were seven or eight men present from St. Louis. They felt that there needs to be a tighter rein used in their local organization. They asserted that things are allowed to run fast and loose and that there are injustices creeping into the transaction of business. There are some sore spots that in their opinion need to be remedied. The companies themselves have some grievances as well as the agents. These were thrashed out on both sides. The local agents returned to St. Louis with the suggestion that they get up in definite form their suggestions or complaints and offer remedies. These will be studied by the companies and a later meeting will be held in two weeks or so when there can be a further conference.

#### ST. LOUIS COMMITTEE'S WORK

ST. LOUIS, Nov. 13.—A special committee representing the larger general insurance agencies here that have expressed dissatisfaction with prevailing conditions in the local field is now working on a complete revision of all  
(CONTINUED ON PAGE 43)

### Oklahomans Want Saint in Their State Permanently

OKLAHOMA CITY, Nov. 13.—The meeting of the Oklahoma Association of Insurers, called by President E. W. Clarke, which went into session this morning was for the purpose of planning reorganization.

John D. Saint of Raleigh, N. C., executive secretary of the North Carolina Agents Association, is key speaker and at the request of President Clarke and the executive committee is explaining the plan used by some of the associations to improve field conditions.

The program, sponsored by the president and backed by the executive committee, includes raising funds to secure the permanent services of Mr. Saint as secretary of the association to effect a similar reorganization and as successful an agency clean up as was accomplished in Arkansas, North Carolina and other states.

#### Death of Chattanooga Agent

Ernest G. Taylor, 42, prominent insurance man of Chattanooga, died Nov. 10, after an illness of several months. Before organizing the E. G. Taylor Insurance Agency eight years ago Mr. Taylor was, for a number of years, telegraph editor of the "Chattanooga News."

#### O. K. New Loss Payment Rule

The Eastern Underwriters Association and the Southeastern Underwriters Association have now adopted the recommendation of the National Board that the rule as to deferring of the payment of losses be further liberalized so that payment will be held back only in suspicious cases.



Less than a year ago a Washington, D. C. jewelry establishment suffered a heavy loss from an unusually disastrous fire. Not believing in the adage that "lightning never strikes twice in the same place," the proprietors determined that they no longer would leave their fire protection to Chance. Within a week of the disaster they contracted for A. D. T. "Aero" Automatic Fire Alarm Service.

On September 3, fire again broke out in the same place . . . but this time, "Aero" was there to detect the blaze *when it started*. The fire department, summoned instantly and automatically, extinguished the blaze without difficulty. However, since the basement was filled with packing cartons, wooden boxes and other highly inflammable material, the fire would have reached most serious proportions, given a few minutes headway.

In a letter to A. D. T., the subscriber declared: "It is unquestionably the promptness with which "Aero" detected the blaze that saved everything. I want to tell you that I can sleep better knowing that we have this system installed in our establishment."

#### "AERO" ELIMINATES THE HAZARD OF BELATED DISCOVERY

The A. D. T. "Aero" Automatic Fire Alarm System prevents small blazes from becoming big ones, because it automatically detects fire *when it starts*, and instantly and automatically summons the fire department. The system is under the constant, electrical supervision of the A. D. T. Central Station, which assures its proper functioning at all times. By recommending "Aero" and other A. D. T. Protection Services, you can effect economies and obtain better protection for your clients while safeguarding continuity of premium income and clients' good will. We shall gladly send a representative to cooperate with you. Write for descriptive booklet.

#### A. D. T. Protection Services

SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE : : : WATCHMAN SUPERVISORY AND MANUAL FIRE ALARM SERVICE  
"AERO" AUTOMATIC FIRE ALARM SERVICE : : : BURGLAR ALARM AND HOLDUP ALARM SERVICES

Controlled Companies of AMERICAN DISTRICT TELEGRAPH COMPANY • 155 Sixth Avenue, New York, N. Y.



A NATION-WIDE PROTECTION SERVICE  
AGAINST FIRE, BURGLARY AND HOLDUP







**E**VERY month agents of Companies in the Royal-Liverpool Groups receive a complete mail campaign featuring a timely coverage. Attractive and forceful advertising folders, carefully prepared sales letters, permit-type reply cards, all imprinted and ready for mailing are presented — and enthusiastically used. One agent wrote 20 policies as the result of mailing our Collision insurance material to 100 prospects! Why not investigate these and other sales and underwriting facilities offered by Royal-Liverpool Companies?

WRITE TODAY. ADDRESSING DEPARTMENT G. FOR FULL INFORMATION

## ROYAL-LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET • NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA  
THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA  
FEDERAL UNION INSURANCE COMPANY • THE NEWARK FIRE INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • STAR INSURANCE COMPANY OF AMERICA

## AS SEEN FROM CHICAGO

### TRANSFERRED TO CHICAGO

Some of the men of the Cleveland office of the Pearl Assurance are transferred to the new western department at Chicago, among them being A. C. England and Robert Cadwallader, both in the accounting department; W. A. Barclay, examiner; John Gardner, John Lyon and Arthur Correy, assistant examiners, and M. C. Patten, automobile examiner.

\* \* \*

### PARKER IS LIFE MANAGER

James Parker has joined Starkweather & Shepley, of Chicago, as manager of the life department. He has been a life insurance personal producer about six years, having been connected with the E. B. Thurman agency of the New England Mutual there. Starkweather & Shepley represent the Travelers and the Mutual Life of New York on an agency basis.

\* \* \*

### OPEN LIFE DEPARTMENTS

Life insurance executives are watching with interest the movement of agencies writing a general line of business—fire, casualty, automobile, and marine—to establish life departments. For instance, the Fred L. Gray Company of Minneapolis, one of the large general agencies of the northwest, becomes Minnesota state manager for the Central Life of Des Moines. In Chicago three local agencies have just established life departments putting a special life man in charge, they being Starkweather & Shepley, George Herman & Co., and G. A. Mavon & Co. The largest agencies in Chicago have life departments such as Marsh & McLennan, Moore, Case, Lyman & Hubbard, Critchell, Miller, Whitney & Barbour, Fred S. James & Co., Eliel & Loeb Co., and others.

\* \* \*

### DEATH OF HENRY LINDHOLM

Henry T. Lindholm, who was one of the most important members of the staff of the Western Actuarial Bureau in Chicago, died at his home in that city of a streptococcal infection, after suffering several weeks, at the age of 43. He was taken to the Mayo clinic in Rochester, Minn., but little hope was held out for him there and he was returned to his home. Mr. Lindholm was a young man, well over six feet, and of great vitality. His death had been expected momentarily for several weeks, but he rallied time and again, although at no time did he have a chance to recover.

Mr. Lindholm put his heart into his work. He was assigned the work of carrying out general instructions in the way of preparing forms, etc., but he had opinions of his own and did not hesitate to make known his convictions

and attempt to have his ideas incorporated in the various projects.

His physical breakdown came shortly after he had completed his work on the new supplemental contract and the merchandise and fixture form. He was wrapped up in these undertakings and tackled the job with enthusiasm. After the forms were completed and put into effect, Mr. Lindholm proceeded to elucidate them and urge their general use. He made forceful appearances at the combined meetings of the Tennessee and Kentucky Fire Underwriters Associations and at the meeting of the Illinois Fire Underwriters Association early this summer.

Mr. Lindholm was a technical, detail man, but he had human characteristics that won him many friends among fire insurance people. The course of his illness had been watched anxiously by insurance people in the west.

Mr. Lindholm's insurance experience began with the General Inspection Bureau in Minneapolis. When war broke out, he enlisted in the infantry and served as sergeant major overseas. After the armistice, he returned to Minneapolis where he resumed his former work. He was later made manager of the Oklahoma Audit Bureau.

In April, 1920, he went to Chicago with the Western Actuarial Bureau. He was secretary of the Western Explosion Conference many years; a member of several committees of the Western Conference of Special Risk Underwriters; a member of the executive committee of the Association of Fire Insurance Examiners and the Illinois Blue Goose.

He is survived by his wife Ethel and a son, Henry, Jr.

Funeral services were held in Chicago Tuesday afternoon and interment was in Minneapolis Wednesday. A number of the bureau managers from various states attended the services and the office of the Western Actuarial Bureau closed at 1 o'clock Tuesday afternoon.

\* \* \*

### PEARL'S BIG GATHERING

The largest crowd gathered in any social function for many years in the Insurance Exchange, Chicago, was noted Monday when the Pearl Assurance group opened its new western department on the 12th floor. Manager Vincent L. Gallagher and Assistant Managers F. S. Stewart and Fred G. Krueger acted as the official hosts. From the head office management came S. B. Hopps and J. F. Guinness. President Ralph Rawlings of the Monarch Fire and Vice-president E. T. Lyons were on hand as was A. E. Hendricks from the engineering department. Attorney James Bachman was present from Cleveland. Among the distinguished guests paying their respects

were President J. L. Parsons of the Crum & Forster fleet and Western Manager Fred M. Gund. There were reported to be 2,800 people that attended the function. The office being jammed to the guards most of the time. Refreshments were served and cordial greetings extended. The Pearl sent out invitations to the classes 1, 2, 3 and 4 members of the Chicago Board and many other people allied with organizations and insurance offices. Altogether 6,000 invitations were issued. Gorgeous bouquets of chrysanthemums and asters were sent to the office by admiring friends.

There were some out of town agents of the Pearl present, among them being W. A. and Thomas W. Earls of the Earls-Blaine agency at Cincinnati; Gustaf Guenther, Sheboygan, Wis.; Clarence Gollusch, Milwaukee; Albert Dreifus and Howard Lawrie of Detroit.

On Monday evening the management entertained a group of agents and close friends at the "Show Boat."

\* \* \*

### EXECUTIVE COMMITTEE NAMED

President Walter C. Leach of the Society of Life Members of the Northwest association has appointed on the executive committee R. A. Buckman, Chicago, Royal; B. K. Cowles, Minneapolis, Phoenix of Hartford; W. B. Flickinger, Chicago, North America; W. H. Lininger, Chicago, Springfield F. & M.; C. J. Munn, Chicago, Cook County Loss Adjustment Bureau; R. L. Nicholson, Milwaukee, Michigan F. & M.; C. W. Ohlsen, Chicago, Sun; A. F. Powrie, Chicago, Fire Association; W. R. Townley, Chicago, Underwriters Salvage Co., and A. D. Yeaton, Chicago, New Hampshire Fire.

\* \* \*

### HOME'S FARM OFFICE TO MOVE

The farm department of the Home of New York in Chicago will move from the Brooks building to the Franklin-Jackson building, taking the entire 14th floor. The western department of the Sun is in this building and the headquarters of the Illinois Inspection Bureau and Illinois Audit Bureau are also in the structure. F. H. Cornell is head of the Home's farm activities.

\* \* \*

### GO ON A HUNTING TRIP

President C. W. Higley and Assistant Western Manager John Rygel of the Hanover Fire and L. E. Yager, Chicago local agent, are leaving this week for Bridgeport, Neb., near the Wyoming line, where they will be on a hunting trip for a week or 10 days.

\* \* \*

### HIRAM WALKER LOSS

Hiram Walker, Inc., has retained the Chicago law firm of Taylor, Miller, Busch & Boyden as counsel in its case against the insurance companies involving the recent collapse and fire loss at its Peoria distillery, on which the insurance companies have denied liability because of claimed fall of the building. Francis X. Busch of the law firm, for-

## New President



E. W. ERICKSON

E. W. Erickson of Chicago, special agent of the Aetna Fire, who has been elected president of the Cook County Field Club, is one of the active men in that organization.

merly corporation counsel of Chicago, is handling the case.

Suit has not been filed as yet, but is expected to be in the near future. It will probably be in the federal courts because of the certainty that the companies will remove it there if it should be started in a state court.

\* \* \*

### LASHER AT COAST OFFICE

C. D. Lasher of Chicago, general manager of the Home of New York group, has gone to San Francisco to be associated with the Pacific Coast department for a few weeks assisting in the work in that important territory.

### Chessman Heads Engineers

W. E. Chessman of the Improved Risk Mutuals in Chicago was elected president of the Association of Mutual Fire Insurance Engineers at the annual meeting in Chicago. He succeeds E. E. Hotchin of the Mills Mutual Agency in Lansing, Mich.

The new vice-presidents are H. U. Brown of the Hardware Dealers Mutual Fire, Stevens Point, Wis., and W. H. Rodda, Mutual Insurance Agency, Washington, D. C. The secretary is C. M. Rowley of the Lumbermen's & Manufacturers, Chicago.

F. K. Ransom, who had been connected with the Earls-Blaine agency in Cincinnati for 26 years, died at the age of 74 last Saturday. He had been in the business since 1890.

CONTRIBUTING

EXCESS OF LOSS

# REINSURANCE

**FRANK BURNS**  
INCORPORATED

STOP LOSS

CONFLAGRATION



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Every client is still a prospect until you've sold him every coverage called for by his individual requirements. How to determine which forms each prospect should have and how to close the sale is interestingly told in a portfolio recently issued to North America Agents.

See our full-page advertisement in the November issue of Fortune,  
November 2nd issue of The Saturday Evening Post  
and the November 4th issue of Time.

# INSURANCE COMPANY OF NORTH AMERICA PHILADELPHIA

and the  
**INDEMNITY INSURANCE CO. of NORTH AMERICA**  
*write practically every form of insurance, except life.*

Founded 1792

Capital \$12,000,000

Surplus to Policy Holders, over \$60,000,000



# Indemnity Insurance Company of North America

PHILADELPHIA

CAPITAL \$1,000,000

•  
**Casualty  
Fidelity  
Surety**  
•

**Unquestioned Financial Stability**

**Unique, Convenient Policies**

**Complete, Efficient Service**

**All Modern Coverages**  
•

*Combination Automobile Policy, Combination  
Residence Policy and Complete Golfer's Policy  
issued jointly with allied fire companies.*

## Florida Hurricane Reports Indicate Heavy Damage

### ADJUSTERS ARE HARD AT WORK

Companies Hurry Up Operations as  
People Desire to Be Ready  
for Winter

JACKSONVILLE, FLA., Nov. 13.—Inside information is to the effect that the recent heavy storm in Miami did \$4,000,000 damage and that despite the \$100 deductible on east coast risks, the companies will have a heavy loss.

#### ESTIMATE OF THE LOSS

NEW YORK, Nov. 13.—Careful surveys by general agents and seasoned adjusters on the ground estimate the insurance loss caused by the hurricane that swept southeastern Florida Nov. 4, as not to exceed \$1,000,000. The Fire Companies Adjustment Bureau has 35 of its picked men in and about Miami, under the immediate direction of B. A. Clapp, general manager of its southwestern department. Every effort will be put forth to expedite settlements; companies appreciating that the winter season in Florida is underway and resort keepers and householders are most anxious to repair damaged properties with all possible speed. All windstorm policies contain the \$100 deductible clause, which will tend to reduce payments by carriers to a considerable extent. Aside from Miami, the centers suffering most severe damage are Hollywood, Fort Lauderdale and Miami Beach.

#### ADJUSTERS ARE SUMMONED

ATLANTA, GA., Nov. 13.—B. K. Clapp, manager Fire Companies Adjustment Bureau's southeastern department, has left for Miami to take charge of tornado claims which are beginning to filter in from the Miami area, the result of the second and more recent Florida hurricane. Forty-two adjusters have been summoned from other Florida and southeastern points to report immediately to Mr. Clapp at the headquarters of the bureau, established at Miami.

Officials of the bureau in Atlanta expressed the opinion that in some respects the claims for tornado damage, in this last hurricane, will exceed the recent storm damage on the west coast of Florida.

Bureau officials report that claimants having HOLC loans on their tornado losses, as a result of the hurricane in the Tampa district of Florida, and points on the west coast, have nearly all been checked up and settled.

A report states that 900 claims were filed, including total losses down to small damage claims. So far, 491 claims have been settled and the remainder are being cleared up rapidly. Approximately 100 more claims are in process of settlement.

On account of the coinsurance and deductible clauses attached to the contracts, a number of the small damage claims did not amount to any loss to the companies.

#### NEW TAX PROTESTED

MIAMI, FLA., Nov. 13.—Threat on the part of one of the bigger agency groups to cancel \$20,000,000 of storm insurance in protest against a new city license of \$110 a year is not taken seriously by board agents in this area and the state, it would seem. In an official statement, W. P. Fisher, West Palm Beach, editor of Florida association publications, says: "It is reported that while this tax will work some hardship on general agents and companies with numerous dual agencies, the majority of local agents and company representatives welcome the increased tax as a means of curtailing the promiscuous planting of agencies. It would take a

## Charlottesville, Va., Has an Outstanding Record

Charlottesville, Va., according to the National Fire Protection Association has an outstanding record. It is a city of 16,000 people and for the fiscal year ending Oct. 31 it had a per capita loss of 10 cents. In 1934, it was 85 cents and in 1933 it was \$1.

lot more than \$110 tax to cause any company, much less a general agency, to throw away \$20,000,000 of business. The public is easily fooled but not that easily."

### A. M. Best Co. Wins Libel Suit

In a hearing Tuesday, Judge Kelly of the superior court in Chicago, gave default judgment against the Index Publishing Company, publisher of the "Insurance Index," James E. Dunne, president, and Charles D. Dunne, secretary, in favor of the plaintiff, Alfred M. Best Company. The Alfred M. Best Company charged the "Insurance Index" with publishing false articles, cartoons, etc., reflecting on the reputation of Mr. Best and his company. On the record, the guilt of the defendants was established in court. The only remaining question to be settled concerns the amount of actual damages together with punitive damages to be awarded the Alfred M. Best Company. It seems that the defendants did not answer the libel petition and after the time had expired endeavored to establish their original status but the court overruled the motion. The attorneys will now argue the amount of damage in the court.

### Discuss Denver Auto Thefts

DENVER, Nov. 13.—At the monthly meeting of the Mountain Field Club, Guy Shirley of the Automobile Protective Information Bureau gave an address on the auto theft situation in Denver. Sargeant Cook, head of the Denver police auto theft department, attended. The recovery of stolen autos in Denver is very high and the number of auto and accessory thefts has been reduced greatly.

### Field Men, Agents to Gather

DENVER, Nov. 13.—The Mountain Field Club and the local agents of Denver will have a joint meeting this month. While the meeting is being arranged by the Denver Association of Insurance Agents, all agents in the city can attend. The Denver association will have its regular meeting Nov. 21.

### Rules Against Deviation

Attorney-general Mac Q. Williamson of Oklahoma holds individual companies may not deviate from rates filed with the board and approved by it.

### SPECIAL AGENT WANTED

Old established Company wants Special Agent for the State of Ohio. Must be familiar with the Ohio field. State age, experience and give reference. Address C-47, The National Underwriter

### Mr. Casualty and Fire Executive:

A young executive of proved ability, character and personality, now employed and having a successful record of business promotion, agency supervision, profitable production, advertising, sales campaigns, public speaking, claim management, underwriting and accounting, capable of filling a more responsible position than present connection, invites an inquiry from a good sound company.

Address CS2, National Underwriter.



# ARE YOU SELLING 1905 MODEL INSURANCE?

The Comprehensive and Combined Automobile Policies written by the America Fore companies provide modern insurance protection for modern cars.



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THE CONTINENTAL INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
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*Eighty Maiden Lane,*



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NIAGARA FIRE INSURANCE COMPANY  
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THE FIDELITY AND CASUALTY COMPANY  
ERNEST STURM, Chairman of the Board  
BERNARD M. CULVER, President

*New York, N.Y.*

NEW YORK CHICAGO SAN FRANCISCO

ATLANTA DALLAS MONTREAL

## Wants Changes in U & O

W. F. Kimball, New York Broker, Suggests Amendment to Provide for Stipulated Amount of Insurance as Standard

A change in the coinsurance clause of the contribution use and occupancy form for mercantile risks to provide for a stipulated amount of insurance as the standard for coinsurance purposes and the establishment of a standard work sheet for computation of U. & O. values was forecast by W. F. Kimball of the New York brokerage firm of Kimball & Price at the meeting of the Western Conference of Sprinklered Risk Underwriters in Chicago. No other changes in the form are expected. Mr. Kimball was formerly identified with the National Retail Dry Goods Association, has had experience with reciprocals and mutuals and is in touch with large assured. Because of the current agitation and negotiation looking toward revision of the use and occupancy form, Mr. Kimball's remarks were followed with interest, particularly in view of the fact that he has been close to recent discussions of the Eastern Underwriters Association on the same subject.

### Refers to Birmingham Case

Referring to the recent Loveman, Joseph & Loeb case at Birmingham, in which a lower court refused to enforce the present contribution clause and which is now being appealed, Mr. Kimball stated that he is in sympathy with the spirit of the present contribution clause, but that this case is only the culmination of a great amount of dissatisfaction and misunderstanding engendered by the indefiniteness of the present form. The Loveman case got into the courts because a loss was involved, but there are countless other unknown cases where the assured have either reconciled themselves to the fact

that the required amount of insurance apparently cannot be reconciled with the loss or, still worse, have discontinued or never carried this insurance.

The difficulty, according to Mr. Kimball, is not over adjustments or the form of the policy, but from confusion and error in computing the amount of insurance to be carried. A standard prescribed computation sheet, to be signed by the assured, and filled out with the assistance of the insurance company, using the same formula for determining values as for computing a loss, would not only tend to eliminate incidents such as the Loveman case, but would materially aid sales by removing the psychological handicap under which nearly all U. & O. assured now labor.

### Mercantile Changes First

Mr. Kimball contended that it is impractical to develop use and occupancy insurance on an identical basis for both manufacturing and non-manufacturing risks. He urged that action should be taken first on changes for large mercantile businesses, stating that both manufacturers and small mercantiles and other non-manufacturing risks need further study, but that this should not delay action on the other risks. Possibly because of the aggressive attitude of the National Retail Dry Goods Association toward insurance, most of the complaints have come from department stores and other large mercantile organizations, the Loveman case being a good example of this.

Certain reciprocal organizations have been very active with department stores and probably stock companies have suffered more from competition on use and

occupancy insurance on such lines than on any other, even including the factory mutual competition on superior sprinklered factories.

Mr. Kimball offered two alternatives for changing the contribution clause. The present clause may be left unchanged, but a paragraph added stating that the insurance company agrees to accept the stipulated amount as compliance with the conditions of the contribution clause; or the entire contribution clause may be eliminated and a "fixed amount" clause substituted.

In case of term policies Mr. Kimball suggested that a provision be inserted for reversion to the 80 percent or 100 percent coinsurance clause on a certain specified date unless new values are filled in and accepted and the policy endorsed on that date. This date should be the end of the particular 12 months which the assured selects for filing his past full year's actual earnings.

### Call for Quake Cover

SPOKANE, WASH., Nov. 13.—A number of the Spokane agencies have been called on for a considerable amount of earthquake insurance, especially from the building owners. The big increase came following the continuous quakes in Montana.

### No Demand in Kansas City

KANSAS CITY, Nov. 13.—There is no particular demand here for earthquake coverage, Cliff C. Jones of R. B. Jones & Sons, reports. However, during the past two or three years the agency has written the coverage for some substantial risks. Mercantile firms especially have been interested, and the Jones agency has written several such firms.

### Alabama State Fund Grows

The surplus in the Alabama state insurance fund which was created with an original appropriation of \$100,000 in

## ANSWERS

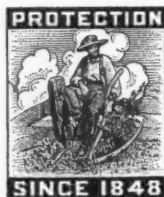
By J. C. O'Connor, Editor  
National Underwriter's F. C. & S. Bulletins

Question—We have a party who operates regular truck lines between Evansville and St. Louis, Cincinnati and points in southern Illinois. He owns approximately 20 trucks and is making inquiry with reference to liability and property damage insurance. Can you give us the names of a number of companies that specialize in truck insurance? Either stock, mutual or reciprocal companies will be satisfactory. We of course prefer stock companies.

Answer—The companies writing regular truck lines between cities are:

Commercial Standard Insurance Co., Trinity Life Bldg., Ft. Worth, Tex.; Casualty Reciprocal Exchange, 28th and Wyandotte Streets, Kansas City, Mo.; Automobile Mutual Indemnity Co., 1819 Broadway, New York, N. Y.; Builders & Manufacturers Mutual Casualty, 120 South La Salle St., Chicago; Central Mutual Insurance Company, 105 W. Adams St., Chicago; Travelers Mutual Casualty, Marks Bldg., Des Moines, Ia.; Lloyds America, National Bank of Commerce Bldg., San Antonio, Tex.; Markel Service, American Fidelity & Cas. Co., Times Dispatch Bldg., Richmond, Va.

1923, has now reached a total of \$480,608 according to a report by President C. B. Rogers, of the state board of administration. Within the past year the surplus has gained \$66,241 with an increase of \$44,300 in invested assets. Last year the rates were 32.8 percent of bureau rates. Total losses paid out of the fund during 1934-1935 were figured at \$106,349 for fire and \$1,922 for windstorms.



## CONFIDENCE OF THE COMMUNITY

When any one goes into any community and seeks a reliable and trustworthy local insurance agent, he will find such in charge of the Ohio Farmers business.

This Company prides itself on the fine quality of its local representatives. They have been selected because of their fitness to represent this Company.

The Ohio Farmers' relationships with its policyholders are cordial. It seeks to retain their friendship and patronage. It is highly essential for the Company to have as its agents business men who enjoy confidence of the public.

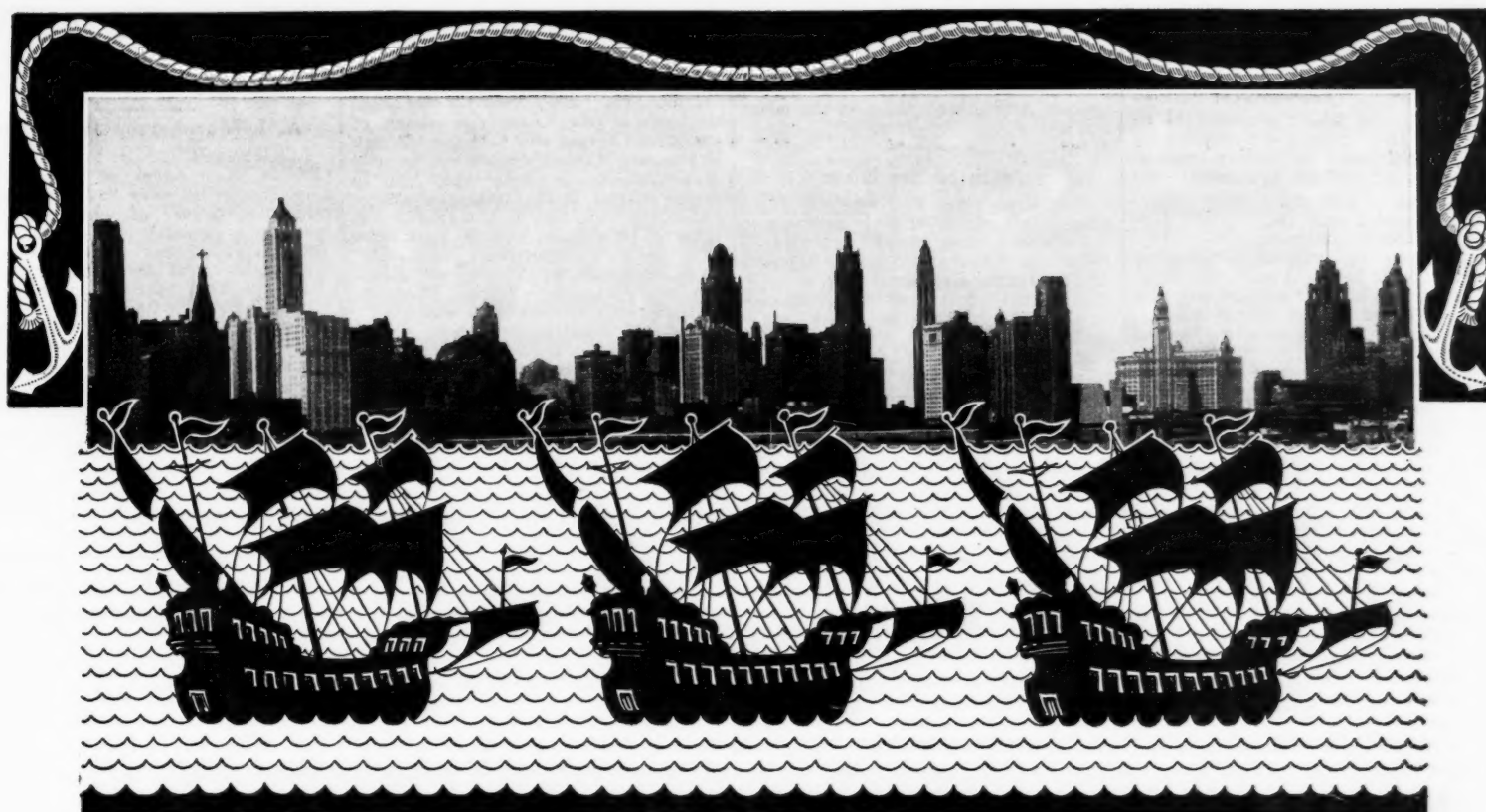
**OHIO FARMERS INSURANCE COMPANY**  
LeRoy, Ohio

**FIRE**

**TORNADO**

**AUTOMOBILE**





# The FLEET Is In

The Pearl-American Fleet dropped anchor in Chicago on November Eleventh at 1221 Insurance Exchange Bldg. Vincent L. Gallagher is in command of this Western department, which brings to the insurance men of Illinois, Michigan, Wisconsin, Indiana and Minnesota all the home office facilities of a group of companies noted for strength, soundness, progressiveness and cooperation with agents.

By training and experience Mr. Gallagher is well equipped to undertake the development of this important territory for the Pearl-American Fleet. He and his organization stand ready at all times to help agents in this territory increase their business.

## PEARL-AMERICAN FLEET

PEARL ASSURANCE CO., LTD., UNITED STATES BRANCH  
EUREKA-SECURITY FIRE & MARINE INSURANCE CO.  
MONARCH FIRE INSURANCE CO.

NEW YORK

CLEVELAND

CINCINNATI

PHILADELPHIA

CHICAGO

SAN FRANCISCO

## Michigan Association Is Taking Census of Members

The Michigan Association of Insurance Agents is taking a census of its members to ascertain the number of persons concerned in agency income. The items covered are as follows:

1. Name of agency.
2. Statement made by.
3. Number of partners.
4. Number in family of each dependent on agency income.
5. Number of office employees not included in line 4 and not including line 7.
6. Number of employees in home of owner or partners.
7. Number of salesmen or solicitors on office payroll, salary or commission.
8. Number of persons dependent on line 7 associates.

## Eighty-five Percent Pass

COLUMBUS, Nov. 13.—It is estimated about 85 percent of the persons who have taken the examinations under the new Ohio agents qualification law have obtained passing grades.

## Await Bridge Cover Decision

OMAHA, Nov. 13.—Within a week, the 22 companies who placed with the South Omaha bridge commission bids covering all bridge property, its use and occupancy, public liability and compensation insurance on regular employees of the commission, will know the results of their bids.

The South Omaha span is a \$1,500,000 structure just nearing completion.

## Activities to Be Broadened

NEW YORK, Nov. 13.—At the annual meeting of the executive committee of the National Association of Insurance Brokers, held here this week, and which it is anticipated will be attended by representatives of the local organizations of Chicago, St. Louis,

Massachusetts and San Francisco, as well as Brooklyn and New York City, Julian Lucas, president of the national body, is expected to submit definite plans for broadening its activities and making it of greater value to the membership.

## Death of Sol Kiser

Sol Kiser, for the past 30 years prominently identified with insurance in Indianapolis, died Monday evening at his home while asleep. He and Sol Meyer organized an agency in Indianapolis in 1905 which later was expanded to a state bank with an insurance department. The bank got into difficulties during the depression and is now in receivership.

## Work Out Plan in Arkansas

Under a plan worked out by the Arkansas Association of Insurance Agents, any local representative assisting a bank handling finance paper in securing an account, will be allowed 10 percent commission on the business.

## Kentucky Meetings Held

Louisville, Nov. 13.—The Kentucky Fire Underwriters Association or Field Men met this week for the monthly meeting, devoted chiefly to balance reporting. The annual meeting from November to June, was continued until the meeting on Nov. 26.

The executive committee of the Kentucky Association of Insurance Agents held a meeting in Louisville. The Kentucky legislature will go into session again in early January, and it is understood that there are some legislative matters to be considered between now and then.

William F. Klair, of the Scott & Klair agency, at Lexington, Ky., who has been in the hospital for some time, was reported just a trifle improved. He recently underwent an operation.

## Texas Regional Meetings to Be Continued This Month

DALLAS, TEX., Nov. 13.—Regional meetings of the Texas Association of Insurance Agents will continue through November. Probably more will be held in December. Sessions were held in Amarillo with G. G. Ordway in charge and in Lubbock with S. J. McFarland in charge. In addition to state association officers, Fire Commissioner Mauk, Casualty Commissioner Waters and R. B. Cousins, manager Texas Insurance Checking office, were present.

No set programs are arranged for these special meetings. Problems of the local agents are discussed. Only association members are invited to attend.

On Nov. 19 there will be a regional meeting at Taylor with R. L. Gallaway in charge. The following day there will be one in Houston with Adams Martin in charge.

Letters have been sent out by the Texas association to non-member local agents urging them to join in improving the insurance business for the agent and the public. Attention is called to the fact that the non-members are profiting from the work of the organization, although they may not be aware of it.

## Blue Goose Honors Shannon

COLUMBUS, Nov. 13.—Walter G. Shannon, retired, formerly of the Columbia of Dayton, was tendered a complimentary dinner by the Ohio Blue Goose in Columbus. Senator John A. Lloyd, secretary of the Ohio Association of Insurance Agents, was the toastmaster, and Mr. Shannon was presented with a radio, the presentation being made by W. E. Gable, most loyal gander. B. T. Duffey made the principal speech. Others who talked were L. E. Lietsman, American of Newark, W. C. Castle, Firemen's, and C. F. Eagle, American, all three of whom had served under Mr. Shannon in the field; Ralph

Hukill, Fireman's Fund, grand guardian, Ray L. Winnard, president Ohio Fire Underwriters Association. About 75 persons were present. Earl A. Reid was chairman.

## A. I. Macpherson Improving

LOUISVILLE, Nov. 13.—A. I. Macpherson, state agent of the St. Paul Fire & Marine who has been ill for some weeks, part of which time was spent at a hospital, is reported better, but unable to see visitors. C. H. Knoche, assistant secretary of the St. Paul, has been in the city for a few days looking after its interest while Mr. Macpherson is laid up. While on his way back from Florida he just escaped the storm.

## Burglary at Lindholm Home

While the family of the late Henry T. Lindholm of the Western Actuarial Bureau, was attending his funeral service at home, an attempt was made to burglarize the residence.

## NOTES FROM THE FIELD

A. G. Dick has resigned after 32 years as a member of the staff of the Pacific coast department of the London & Lancashire. During the past six years Mr. Dick has been office manager.

J. J. Scott, who was formerly collector of internal revenue for the first district of California and well known expert on federal and state taxes, was the speaker before the San Francisco Insurance Accountants Association.

C. V. Beardsley, veteran Bothell, Wash., local agent, was presented with a 26-year service certificate by Edward W. Porep, superintendent of agents for North America at Seattle.

The St. Louis Fire & Marine, which has been writing a nominal volume of business in Texas, has withdrawn from the state.

Morgan-Kingman-Lewis Company of Boston has been appointed Boston and metropolitan general agent for the Rhode Island.



# NORTH STAR INSURANCE COMPANY

*Reinsurance of Fire and Allied Lines*

90 JOHN STREET, NEW YORK

200 BUSH STREET, SAN FRANCISCO



# PUBLIC ENEMY

## No 2

### Motor Accident

#### COMMON ENEMIES TO GUARD AGAINST

- |                       |                            |
|-----------------------|----------------------------|
| 1 FIRE                | 9 LIGHTNING                |
| 2 MOTOR ACCIDENT      | 10 MARINE DISASTER         |
| 3 WINDSTORM & TORNADO | 11 RAILROAD WRECK          |
| 4 PERSONAL ACCIDENT   | 12 FALLING AIRCRAFT        |
| 5 SICKNESS            | 13 EXPLOSION               |
| 6 DAMAGE CLAIMS       | 14 RIOT or CIVIL COMMOTION |
| 7 BURGLARY            | 15 EARTHQUAKE              |
| 8 ROBBERY             | 16 FORGERY                 |
|                       | 17 DISHONESTY              |



In these days of crowded highways and fast motor cars it takes but a **SPLIT SECOND** of carelessness or poor judgment to cause accidents so tragic as to mar all the rest of life. Suffering, disfigurement, death are but a few of the **DEMONS** hidden in the split second that divides safety from calamity. Insurance can guard against financial loss but nothing can alleviate the endless regret at some needless disaster caused by carelessness.

## LOYALTY GROUP

Firemen's Insurance Company of Newark, N.J.  
The Girard Fire & Marine Insurance Co.  
The Mechanics Insurance Co. of Philadelphia  
Superior Fire Insurance Company  
The Metropolitan Casualty Insurance Co. of N.Y.

ORGANIZED  
1855  
1853  
1854  
1871  
1874

Milwaukee Mechanics Insurance Company  
National Ben Franklin Fire Insurance Co.  
The Concordia Fire Insurance Co. of Milwaukee  
The Capital Fire Insurance Company  
Commercial Casualty Insurance Company

ORGANIZED  
1852  
1866  
1870  
1886  
1909

#### WESTERN DEPARTMENT

844 RUSH STREET, CHICAGO, ILLINOIS

#### CANADIAN DEPARTMENT

461 BAY STREET, TORONTO, CANADA

#### EASTERN DEPARTMENT

10 Park Place  
Newark, New Jersey

#### PACIFIC DEPARTMENT

220 BUSH STREET, SAN FRANCISCO, CAL.

#### SOUTH-WESTERN DEPT.

912 COMMERCE STREET, DALLAS, TEXAS

## NEWS OF FIELD MEN

### Terminates Group Contract

#### Grand Nest of the Blue Goose Is Entering Into New Life Insurance Arrangement

The Lincoln National Life has given an order to the grand nest of the Blue Goose, terminating its insurance contract under a master group life policy Dec. 31, next. The experience has been unfavorable. The life insurance committee consisting of W. T. Benallack, secretary Michigan Fire & Marine, chairman L. H. Bridges, Home of New York, Chicago, and C. P. Helliwell, New Brunswick Fire, grand welder, have taken up the subject with the Old Line Life of Milwaukee which will submit to the insured members a plan of issuing policies providing sufficient support is secured from those who are already insured in the Lincoln National. The new plan provides for individual policies instead of the master policy issued as a group cover.

#### Provisions of New Plan

The proposed plan with the Old Line Life provides that policies will be non-cancellable except for non-payment of premiums. They will have conversion privileges without evidence of insurability for the full amount of the original contract at any time up to within five years of the termination of the policy and with evidence of insurability during the final five years. The contract provides for extended insurance or a small paid up policy in case of suspension of premium payments provided the policy is three or more years old. The policyholders have the privilege at the time of conversion of using the reserve accumulation on the term policy to reduce the annual premium on the converted policy. These contracts are known as life expectancy policies and are written for a term to expire at a time when the death of the assured may be expected according to the American Experience table of mortality.

#### Explanation Is Made

The committee explains the new arrangement as follows:

"As an illustration, a policy issued to a man of 42 would terminate twenty-seven years hence. The premium for \$1,000 would be \$18.39 annually or \$45.98 annually for \$2,500 insurance (slightly more than half of these two amounts on a semi-annual premium basis). The premium would be constant, so if the assured lived to his expectancy of 69 he would pay a total premium of \$496.53 for a \$1,000 policy, or \$1,241.46 for a \$2,500 policy. These premiums are net, containing no loading charge whatsoever. Let us now contrast these figures with the cost under our present cover

which, however, is terminable at age 65. An insured member at age 42 is paying us a total premium, up to age 65, of \$552.48 for \$1,000, and \$1,381.20 for \$2,500.

"To obtain this liberal coverage for our members means 100 percent support on the part of insured members. We have a perfectly natural desire to safeguard the interests of those men who might find it difficult, or impossible, to replace this coverage, so to the proposed carrier company we have said that if the arrangement is approved by our membership, they may expect the insurance of all our members presently insured. If this is done the total line will be sufficiently attractive to the carrier company for them to waive evidence of insurability so far as our members presently insured are concerned and so far as the amount of insurance carried at the present time is affected."

### Schwartz, Menner Shifted By Phoenix of Hartford

H. W. Schwartz of the Phoenix of Hartford has been transferred from Wisconsin, where he has served as state agent, to Denver in the same capacity. He succeeds H. C. Hart, who is now connected with the Denver general agency of Cobb & Stebbins. Mr. Schwartz had been located in Wisconsin about seven years and previously was in the South Dakota field.

Leo Menner is the new Wisconsin state agent. He has been traveling for the inland marine department of the Phoenix for about four years with Chicago headquarters. Previously he was in the Missouri field.

### J. H. McElroy Is Honored

J. H. McElroy, retiring rate expert for the Oklahoma Insurance Board, was honored guest at a meeting of the Oklahoma Blue Goose, Nov. 11. He was presented with a life membership in the organization and a suitable token expressing the regard of the members.

He went to Oklahoma in 1905 with the Oklahoma Marine Inspection Bureau. In 1908 he was appointed actuary of the state insurance department. Chief speaker at the meeting was S. W. Philpott, secretary of the board.

### Will Make Town Inspections

The Illinois Fire Prevention Association will make an inspection of Aurora, Nov. 20. R. E. Vernor of the Western Actuarial Bureau will be the main speaker at a business luncheon.

The Wisconsin Fire Prevention Association will inspect Shawano, Nov. 20. The chamber of commerce is holding its annual meeting the previous evening and is giving the fire preventionists a half

hour on the program to discuss fire safety and fire prevention.

The Michigan Fire Prevention Association is inspecting Port Huron this week. R. E. Vernor, Western Actuarial Bureau, will speak at a luncheon Thursday. J. W. Jost of the bureau will put on his fire magic act. The inspection was arranged by the Port Huron Association of Insurance Agents, H. A. McMartin being chairman of the local committee.

### Hart With Cobb & Stebbins

Herbert C. Hart has become associated with the Cobb & Stebbins general agency at Denver. For the past 15 years he has been doing special agency work in the mountain field and for a number of years was with the Gerald L. Schuyler departmental office and after the death of Mr. Schuyler he represented the Phoenix of Hartford group as state agent.

### Macdonald as Guest Editor

The "New Jersey Agent," the monthly house organ of the New Jersey Association of Underwriters, the local agents body, will hand over its December issue to a guest editor, R. A. Macdonald of Newark, who is special agent of the Fire Association.

### Woerner Takes Niagara

C. A. Woerner, Jr., special agent Fidelity-Phenix in Indiana for the past six years and with the America Fore group in that state for ten years, has been appointed state agent for Indiana of the Niagara succeeding the late D. P. Barrett. Before going with the America Fore group Mr. Woerner was with the Indiana Inspection Bureau as an engineer for some years.

### Essay Contest in Minnesota

Cash prizes totaling \$100 are being offered high school students of Minnesota by the Minnesota State Fire Prevention Association for the 15 best essays on "What I can do to prevent fires?" Hundreds of essays already have been submitted. The contest is part of the education program of the association.

### Indiana Pond Initiates

The largest class of applicants for membership in the history of the Indiana Blue Goose will be given their first swim Nov. 18 at Indianapolis. Nearly 40 new members will be added and 20 reinstated.

### Memorial for Deiber

The Kansas City, Mo., Blue Goose luncheon this week was devoted to a memorial service for the late John F. Deiber, state agent Hartford.

### Field Notes

The Michigan Blue Goose will give a costume party Nov. 23, beginning with a roast turkey dinner and continuing with dancing and bridge. The committee in charge is headed by Most Loyal

## Official Warning on Unlicensed Brokers Given

PHILADELPHIA, Nov. 13.—All fire and casualty companies licensed in Pennsylvania have been notified by Commissioner Hunt that hereafter they will be held responsible for any business accepted from non-licensed brokers and will be fined for any violation the full penalty prescribed by law.

In his notice Mr. Hunt said that since assuming office the first of the year the department has been receiving numerous complaints of companies taking business from non-licensed brokers. Investigation disclosed that in every case officers of the company were innocent and the fault lay with some clerk.

In order to end this situation, Mr. Hunt ordered companies and their branches to check on brokers first before accepting any business, warning that hereafter he will impose penalties instead of issuing a warning.

### Form New County Board

MONROE, WIS., Nov. 13.—At a meeting here the Green County Insurance Underwriters' Association was organized with W. A. Loveland, Monticello, president, M. E. Baltzer, Monroe, vice-president, and L. R. Lengacher, Monroe, secretary. The directors are the officers and F. P. Skinner, Broadhead, Henry Burgoyne and Herbert E. Lanz, both of Monroe. With a charter membership of about 25, the new board will solicit every agent in Green county to join. Assisting in the formation was the Wisconsin Association of Insurance Agents. William Tucker of Beloit, member of the executive committee, met with the local people.

Gander G. H. Harrison, Western Adjustment, and includes W. T. Benallack, Michigan Fire & Marine, Welder; G. R. Edleman, Home of New York; G. R. Fritchett, American, and E. C. Sauley, Great American.

C. C. Billefert, Wisconsin state agent Fidelity & Guaranty Fire, visited friends in Indianapolis.

Jan. I. Coen of Olney, Ill., special agent of the Home of New York, has just returned from a week's visit to the home office.

Carl G. Lund, special agent for the farm department of the Fidelity-Phenix in Oklahoma, has been appointed chairman of the farm committee of the Oklahoma Fire Prevention Association.

The Christmas party for the Oklahoma Blue Goose is announced for Dec. 27. It will be in the form of a dinner dance to be held at the Oklahoma City Country Club.

The Sacramento, Cal., puddle of the Blue Goose is holding a reorganization dinner Friday. The Oakland and Fresno puddles are to be represented.

The women's auxiliary of the Wisconsin Blue Goose held its monthly luncheon meeting in Thiensville, Wis., with an attendance of about 40. Mmes. Denver Swanson, J. C. Qualmann and M. R. Lane were hostesses.

# INDIANA INSURANCE COMPANY

A STOCK COMPANY CHARTERED 1851—OPERATING ONLY IN INDIANA

Writing

### AUTOMOBILE

All Lines in One Policy

### FIRE and WINDSTORM

Combined coverage, equal or unequal amounts, in one policy  
Excellent reinsurance facilities

### PLATE GLASS

Unexcelled contracts

HOW about an agency contract with a Company that will help an agent when help is needed?

Phones:  
Riley 6452  
6453  
6454  
6455

Third Floor, Consolidated Bldg., Indianapolis

SPECIAL AGENTS  
ERNEST NEWHOUSE  
HAROLD H. WELLS  
EMERSON NEWHOUSE



# VIEWED FROM NEW YORK

By GEORGE A. WATSON

## DEBATE COMPULSORY COVER

At the General Brokers Association meeting "Compulsory Automobile Insurance" was debated by P. M. Berlin of Levy & Berlin and H. J. Pohs, Travelers. Mr. Berlin advocated such legislation while Mr. Pohs took the opposition.

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## ACTS ON THE I. U. B. RULES

The New York Fire Insurance Exchange is acting this week on the proposal to adopt rules, rates and forms of the Interstate Underwriters Board. The proposal was submitted by the special committee on rates and rating methods for writing multiple location risks, policies and floaters. A. H. Witthohn, Federal of New Jersey, is chairman.

Two modifications of the I. U. B. rules are embodied in the proposal. One is that each borough of the city of New York may be treated as a separate city when risks are written under forms A and B, which are for use on two or more locations.

The other change is in connection with underlying policies. Whereas the I. U. B. provides for one underlying policy covering the locations of each state, the new exchange rule would require that an underlying policy be issued to cover those locations which are in exchange territory.

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## DEBATE CONTINGENT REQUEST

Further consideration will be given to the appeal of agents in New York suburban territory for increase in contingent from the present 5 percent to 10 percent. As representatives of the suburban division, New York Fire Insurance Rating Organization, P. W. Barnes, Fire Association; A. E. Gilbert, secretary Hanover Fire, and Frederick Hoadley, secretary American of Newark, have been named. The sub-committee of the governing committee will be represented by W. J. Reynolds, Corroon & Reynolds, O. E. Lane, president Fire Association, and Hart Darlington, United States manager Norwich Union Fire. The matter was discussed recently at a joint conference between a managerial committee and agents' representatives, and has since been under advisement. The agents contend that because of the sharp competition from metropolitan brokers, limited calls made by them for special agency service, and profitability of suburban business generally, they are entitled to 10 percent contingent over and above the flat 20 percent provided. The request is not new, having been advanced several years ago. The counter of managers is that any increase in commissions would bring additional agents into the field, and the dollars and cents return to established agents likely would be less than now. A further consideration of company heads just now is that appeals for increased commissions are coming in from different sections of the country and the granting of an advance in any one field would serve to stimulate similar action in other sections, with the general result that acquisition cost would be materially increased and stock offices further handicapped in competition with non-stock and non-affiliated stock companies. The New York suburban field has long been regarded as one of the best governed territories in the country.

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## AMERICAN GETS CONTRACT

The New Jersey insurance department has entered into a contract with the American of Newark to handle all the insurance on properties owned by banking institutions, building and loan associations, insurance and title and mortgage guarantee companies which are in the possession of the department for conservation, rehabilitation and liquidation. The American is to retain 10 per-

cent of the business and reinsure the other 90 percent in companies whose total fire business in the state during 1934 amounted to at least one-fourth of 1 percent of the fire premiums written in the state.

The insurance and banking commissioner desires to deal only with one company. The local agents will be paid commissions. The commissioner says that it seems equitable that each participant share in the clerical cost which will be handled through the American office. The commissioner says that he observes that most companies in their contingent commission agreement with agents charge 5 percent of the net premiums for home office supervision. The American will also handle the detail

work of premium collection under the contract and the commissioner says it is therefore arranged that this charge against the net premiums received by each participant shall be 5 percent.

The New Jersey business of this character will run between two and three million dollars.

The announcement has not met with general approval of the insurance companies doing business in New Jersey. It appears that only about 60 companies out of 300 doing business in the state will be qualified to handle the business. This has aroused the ire of the smaller companies. It has also been pointed out by the commissioner that he does not intend to take any business away from any local agent, but it is pointed out that the business must be written by agents of the American of Newark. This is alleged to be unfair tactics by the agents throughout the state.

The New Jersey State Firemen's Association has complained that it may lose the income which it has been

receiving for relief purposes. It gets 2 percent on premiums written by all outside insurance companies.

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## TO BUILD IN NEW YORK

The National Fire & Marine of Elizabeth, N. J., of which E. C. Jameson is president, will shortly begin the erection of a headquarters building at 23-25 Cliff street, New York City, the structure to be ready for occupancy early in 1936. Mr. Jameson was formerly president of the Globe & Rutgers.

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R. R. Wild, secretary of Corroon & Reynolds, has been elected to the town council of Glen Rock, N. J. He is also on the board of education.

## Georgia Membership Drive

ATLANTA, GA., Nov. 13.—At the fall meeting of the executive committee of the Georgia Association of Insurance Agents here it was voted to put on an extensive membership drive. The aid of the field men is being solicited.

## PORTRAIT OF A PUZZLED LOCAL AGENT



He has checked over his books and found that he has not been making progress. He has decided, with a thump on his desk, that with business on the up-turn, it is time he started doing something. He is still perplexed. He has tried to discover just what he did that was wrong. He has asked himself about the success of his competitors. He has read the insurance journals with vengeance—ads and text—but he has found no "open sesame" to more business.

It's a real problem—one which confronts every agent at one time or another. Do you feel puzzled about the next steps you should take?

Have you a picture in your mind of the road you want to travel over the next few years? Are you planning to go ahead—ahead in premium income, in service to your customers? How are you going to do it? Experiences of many agents show that there is one sure way.

These men call their progress Planned Progress. It is a route open to relatively few agents. If you feel that you would like to learn more about it, send for a book called "Planned Progress". Its pages show you, step by step, how you can plan your progress along the tested, known-to-be-profitable methods. Write for it today.

BOSTON INSURANCE COMPANY, OLD COLONY INSURANCE COMPANY, Desk 4, 87 Kilby Street, Boston, Mass.

Send me the booklet "Planned Progress" which charts out clearly the road the local agent must follow to increase his premium income. I understand I may keep this booklet without charge and without obligation.

Name .....

Street .....

City or Town..... State.....

\*Copyright, 1935, B.I.C. and O.C.I.C.

## EDITORIAL COMMENT

### Time for Some Optimism

THERE is a noticeable tendency among some fire insurance executives to exhibit a lack of enthusiasm over this year's results. They complain that the premium income is no better than it was in 1934, and in some instances say that it has decreased. They shake their heads over their inability to improve premium receipts, point out that there is no new building, and declare that such business as is being written today is merely being taken from one company and written in another. They do not view either the present or the future through rose colored glasses, taking the position that the fire insurance business is not recording the same improvement as the other major industries of the country.

Anyone who doubts that this is an accurate description of the attitude of many company officials has only to talk to a few to find out what they are really thinking and saying. They could certainly not properly be classified as enthusiastic over either the present state of affairs or the future prospects.

In our opinion, those officials who are full of doubts and misgivings could very properly assume a more optimistic outlook. It is not too much to say that the fire insurance business as a whole is in a much better state than it has been for a half a dozen years. In 1935, for instance, the loss ratio has been low. It is beside the point to argue that this is only a temporary state of affairs and that the loss ratio is bound to go up again as it always has in the past. Instead of taking such a gloomy view of the thing, why not rejoice over what has taken place and the benefits that the low loss ratio has brought this year? There is still nothing to indicate that there will be a general rise in the loss

ratio in the near future although it is only reasonable to expect that there will be some sort of an increase sooner or later.

Let anyone who wants to compare the security values of 1934 with those prevailing today. Right across the board, stocks, bonds, mortgages, and real estate have increased in value from a year ago anywhere from 20 to 35 percent. Does this rise in assets give anyone the right to be doubtful about the future, and uncertain over what may happen? Doesn't it on the other hand indicate in the clearest possible way that whatever changes are taking place are for the better and that the very positive tendency is upward?

We do not believe in the "Prosperity is just around the corner" or "Don't sell America short" kind of optimism, and are not advocating the adoption of it. We do believe though that fire insurance companies and the fire insurance business as a whole are in better condition and are faced with a more promising future than a number of executives seem to realize. There is no good reason to believe that fire insurance will not prosper and improve with the general business of the country. The fact that this year's premium income has not increased does not prove anything regarding the general situation and the prospects for the future except that this year's premium income did not increase.

Any business that has enjoyed such a marked improvement as the fire insurance business has during the past 12 months should not have in it so many officials whose thinking is still colored by doubt, uncertainty and an apparent lack of confidence in what the future may bring in the way of improved premium volume and experience.

### Developing An Organization

IT WILL pay any home office official or manager to read the address that President ARTHUR F. HALL of the LINCOLN NATIONAL LIFE gave before the annual meeting of the AMERICAN LIFE CONVENTION in Chicago inasmuch as he dealt entirely with building an organization. President HALL has been outstanding in his achievement in developing an all-around body of men. In the first place, he has never been fearful of any other officer getting his position. He has delegated authority up and down the line and yet in the end he has been the deciding factor. However, in passing on responsibility to his associate officers and not demanding that they run to him for decisions unless of paramount im-

portance, he has succeeded in constructing a real organization of notable people. This same talent under another regime would have become dependent and would not have become a big factor in company work. President HALL has seen the desirability of training men to think for themselves, who learn to be wise in their judgment and who are not merely "yes" men.

There are two types of organizations. One represents a well developed body of people, working in unison, each assuming responsibility. The head of the organization simply keeps the machinery going without giving very many commands. He is the deciding factor on questions of policy and those of

great importance. The other type of official is one who desires to settle everything himself, even some of the details and who hesitates to delegate authority to anyone. That becomes a one-man institution and in our opinion

it is a weak sort of a proposition.

President HALL in his notable address went into some length as to the manner in which he had constructed his organization and told how he had developed these forceful people about him.

### Earthquake Insurance

THE recent earthquakes in the East and at Helena have revived interest in earthquake insurance. A good deal of the business has been placed in the mid-west and East since the disturbances. Most company executives are cynical about these new orders, dismissing them as one year business.

In view of the current sentiment in favor of broadening and simplifying the fire insurance contract, the present, we should say, is a good time to consider incorporating earthquake protection in the policy. Earthquake insurance is one of those forms of coverage concerning which little thinking is done unless there is earthquake news. It seems to us, therefore, that advantage should be taken of the present opportunity afforded by the presence of such news plus the interest in broader coverage, to ponder the question of earthquake insurance with the idea of doing something about it.

A reading of "Earthquake Damage and Earthquake Insurance" by the late JOHN R. FREEMAN is necessary as a basis

of any discussion of the problem today. With its 900 pages, it is a formidable volume only from the outside. On the inside it is fascinating to an inquisitive fire insurance man.

Perhaps Mr. FREEMAN is too persuasive in his thesis:

"The outlook for building up a profitable business in earthquake insurance by itself is hopeless, but if it can be popularized so as to give a broad underwriting average, there is a great opportunity for giving a useful service to the public, on a paying basis to the insurance company, by means of writing earthquake insurance in the same policy with fire insurance, on more liberal terms than now, and at a reduction from the present rates of premium."

But Mr. FREEMAN was a brilliant engineer, a fire insurance executive, and a searching student of earthquakes and earthquake insurance. Those who would oppose popularizing earthquake insurance, we feel, should be prepared to support their conviction against the arguments presented by Mr. FREEMAN.

## PERSONAL SIDE OF BUSINESS

**Brig. Gen. Herbert R. Dean**, secretary of Starkweather & Shepley in the Providence office, visited Manager L. O. Stitt of the Chicago office on his way home after attending the National Guard convention in Santa Fe, N. M.

**Elmer W. Bonstin**, vice-president Pacific National Fire, one of the outstanding apiarists of the Pacific coast, addressed the members of the American Legion, Nov. 7, on "The Life of a Bee."

**Dan Currie**, 50, of the Currie & Stanford Agency, Everett, Wash., died suddenly.

**Harry Allyn**, 50, Grants Pass, Ore., local agent, died of a heart attack.

**L. B. Moore** of the Indianapolis insurance law firm, Slaymaker, Merrell & Locke, is receiving sympathy on the death of his mother. The wife of Burke G. Slaymaker of the firm is also a daughter of Mrs. Moore.

**E. B. Keeling**, general agent in Dallas, Tex., for the Phoenix of Hartford group, is convalescing at the Baylor hospital, Dallas, from an operation.

**Arthur M. Brown, Jr.**, of the general agency firm of Edward Brown & Sons, Pacific Coast organization, was returned to the post of supervisor of the city and county of San Francisco, at the recent election. Long active in civic affairs and with a splendid record of

achievement, Mr. Brown was returned to the post by a gratifying majority of votes.

**Leslie E. Knox**, member of the insurance firm of L. W. Kingman & Co., Boston, and former president of the Insurance Society of Massachusetts, was elected mayor of Somerville with "Opportunity Knox at Somerville's Door" and "Less Taxes with Les Knox" as his slogans. Mr. Knox has been in the insurance business since 1914. He was in the office of the Liverpool & London & Globe, then credit manager for Starkweather, Shepley & Co. and ten years ago formed a partnership with L. W. Kingman.

**J. R. Jones**, Des Moines, independent adjuster for the last 10 years, was honored at a dinner party. Mr. Jones is leaving Des Moines to join the America Fore at Indianapolis as staff adjuster.

The committee in charge of the dinner included A. L. Lucas, America Fore; Tom J. Hession, Des Moines manager Western Adjustment, and S. L. Kerrigan, Commercial Union Fleet.

**Leonard Howgate**, secretary-treasurer of the Canadian Fire Underwriters Association in Montreal, has retired after a 43 year career in fire insurance work. He served with the Palatine and with the Commercial Union Assurance in England, going to Canada in 1906, where he immediately joined the staff



## THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Wabash 2704.

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Subscription Price \$4.00 a year; in Canada, \$6.50 a year. Single Copies, 20 cents. In Combination with Life Insurance Edition, \$5.50 a year; Canada, \$10.50. Entered as Second-class Matter April 23, 1931, at Post Office at Chicago, Ill., Under Act March 3, 1879.



of the Canadian Fire Underwriters Association.

**R. N. Cornish**, acting secretary of the Canadian Underwriters Association in Montreal, died suddenly.

**B. M. Culver**, president of the America Fore, has accepted the chairmanship of the fire insurance division of the united hospital campaign committee of New York City, while **H. T. Chester**, of Chubb & Son, will serve in like capacity for the marine interests.

Insurance Commissioner **W. V. Knott** of Florida had an unfortunate experience when a car in which he and another state official were riding killed a man who walked in front of the car without warning.

**Clarence J. Neare**, senior partner of Neare, Gibbs & Co. of Cincinnati, died at his home on Sunday morning as the result of a stroke suffered four weeks ago. He was 71 years old. Mr. Neare had been with the agency 50 years. It was founded 70 years ago by Capt. G. W. Neare, his father, as George W. Neare & Co. Mr. Neare, Sr., had been a captain and owner of steamboats on the Ohio river in the early days and at one time was president of one of the local Cincinnati companies specializing on Ohio river business. The marine business has continued as an important part of the agency down to the present time. Another prominent member of this firm was Mr. Neare's brother-in-law, E. C. Gibbs, now retired, who was not only prominent in insurance circles, but in the business life of Cincinnati, having served as president both of the Business Men's Club, now the Cincinnati Club, and the chamber of commerce. Mr. Neare and Mr. Gibbs worked together for many years. He is survived by his widow, Mrs. Agnes Neare; a son, George W. Neare, 2nd, a partner in the agency, and two daughters.

Boyd C. Taylor, who has been actively in charge of the agency, succeeds Mr. Neare as senior partner and the second in command is his son, George W. Neare II. The other partner in the firm is B. A. Thompson.

**Thomas A. Walsh**, associated with the Thomas E. Wood agency, Cincinnati, returned from a ten-day hunting trip at Jackson Hole, Wyo., with a deer, an elk and a moose to his credit. The heads will be mounted, and a banquet held for his associates and friends on 200 pounds of the meat.

**David J. Main** of Standart & Main, Denver general agents, and Mrs. Main were in Chicago this week en route to the east where they will see the Princeton-Dartmouth football game Saturday at Princeton. Mr. Main is one of the distinguished Dartmouth alumni, graduating with the class of 1906. He was captain of the 1905 Dartmouth football team that defeated Princeton that year. He played fullback. He also was the catcher on the Dartmouth baseball team. The Dartmouth alumni will hold a banquet at New York City next Friday evening which he will attend. One of the Main daughters resides at Boston where she has a secretarial position, having graduated from Smith and later from a secretarial school. She will meet her parents and see the game. On the return home Mr. and Mrs. Main will stop at Montpelier, Vt., where Mr. Main will visit the National Life of that city, his firm being general agents at Denver.

**Charles M. Spencer**, 37, an examiner in the Indiana insurance department, died recently in an Indianapolis hospital where he underwent an operation.

#### Field Men Hear Bricker

**COLUMBUS**, Nov. 13.—The Ohio Fire Underwriters Association at its meeting in Columbus, which had been postponed from the first Tuesday in the month, because of the election, was addressed by Attorney General Bricker of Ohio on "The Constitution."

#### Old Time Chicago Adjuster Meets the Final Call



THRASHER HALL

Thrasher Hall, one of the old time Chicago adjusters, died last week after a lingering illness. He had been confined to his home for seven or eight years, having been stricken with paralysis a number of years ago. Even after his stroke he attended to some business. Mr. Hall was the author of a number of books such as "Hall on Fire Insurance," "Hall on Insurance Adjustments," "Adjustment of Losses from the School of Experience," "Use and Occupancy," etc. He lectured before the study classes of the Insurance Institute in Chicago and was active in the old Chicago Fire Insurance Club.

Mr. Hall was born Sept. 14, 1860, in Carroll county, Kentucky. He was a student at the St. Louis law school and started in insurance in 1877.

He began his insurance career as a clerk in the local and general agency at Galveston, Tex., March 1, 1877. He was appointed special agent in 1880, serving such companies as the Western of Toronto, Springfield F. & M., and London Assurance. On Jan. 1, 1893, he became a public adjuster in St. Louis. Subsequently he was adjuster for Moore, Case, Lyman & Hubbard of Chicago, and for a time was at Detroit for the Western Adjustment and later the Underwriters Adjustment. He entered the public adjuster ranks again, his last connection being with H. A. Maurer & Co.

Mr. Hall is survived by Mrs. Hall and two sons, Thrasher, Jr., and Frank B.

#### America Fore "Old Guard" Honored at Annual Rally

**NEW YORK**, Nov. 13.—The "Old Guard" of the America Fore group, composed of employees who have served the companies 25 years or more, held their annual dinner here, 127 attending. Ernest Sturm, chairman of the board, who became an employee in 1892, made a brief address, welcoming new members and speaking of the "priceless heritage of fraternity, loyalty and duty."

Six persons were present who have been employed more than half a century and H. A. Nelson, who recently celebrated his 60th anniversary, was the oldest of these in point of service. During the evening a lapel button, emblematic of membership in the "Old Guard," was shown for the first time and presented to those present.

The committee in charge was A. Keck, chairman; W. H. Roden, William McCourt, C. L. Newmiller, G. F. Doherty and J. J. McNamara, Mr. Roden acting as toastmaster.

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SOUND INVESTMENT POLICY →  
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Property \_\_\_\_\_  
Amount \_\_\_\_\_  
Premium \_\_\_\_\_  
No. \_\_\_\_\_

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83 MAIDEN LANE NEW YORK N.Y.  
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## RHODE ISLAND INSURANCE COMPANY

31 Canal Street  
Providence, Rhode Island

STATEMENT, JANUARY 1, 1935

### Assets

Stocks and Bonds.....	\$2,587,529.86
Cash Balance .....	374,745.00
Agents' Balances Outstanding .....	349,683.38
Accrued Interest, Other Assets .....	41,515.70
	<u>\$3,353,473.94</u>

### Liabilities

Reserve for Unearned Premiums.....	\$1,454,043.17
Losses in Course of Adjustment.....	120,623.00
Reserve for Taxes, Expenses, All Other Liabilities .....	169,031.06
Capital Stock.....	\$1,000,000.00
Net Surplus Beyond All Liabilities .....	609,776.71
Surplus to Policyholders .....	<u>1,609,776.71</u>
	<u>\$3,353,473.94</u>

Note—All bonds and stocks are carried at Actual Market Value.



A Strong, Conservative New England Company

# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Inconsistency Pointed Out Des Moines School Insurance

#### Liquor Cover Ruling in Michigan Shows Disparity in Favor of State Fire Fund

LANSING, MICH., Nov. 13.—The recent discovery, through a ruling of the Michigan attorney general's department, that a mandatory statute prevents the state liquor control commission from insuring its huge liquor stocks except with the state fire fund, has aroused a storm of criticism throughout the state.

The situation has been brought to the attention of Gov. F. D. Fitzgerald, an ex-officio member of the commission, in a letter from a prominent agent who has been a strong political ally of the governor's but was not scheduled to receive any of the commission's business which has been canceled through the recent legal opinion.

The letter emphasizes that licensed fire carriers are not permitted by statute to assume single risks exceeding 10 percent of their paid-in capital and surplus, yet the fire fund with something more than \$600,000 assets, is forced by law to "cover" a single commission warehouse in Lansing on which the total risk is around \$3,000,000. This situation, it is urged, should be corrected even if the law is stretched slightly.

#### Stricter Requirements

It is pointed out that if the fire fund were operated as a regular insurance company it would be forced to set up a reinsurance reserve amounting to 50 percent of the annual premium. The agent cited the practice of one of his companies as typical of the safeguards which would be set up if facilities of stock companies were used as contemplated by the commission. This company, he said, authorized acceptance of only \$400,000 of the commission's business with the understanding \$320,000 would be reinsured, although total assets are over \$40,000,000. Even net retention would have been divided between three companies controlled by the bidding carrier.

Under the set-up approved by the commission, a total of \$2,400,000 insurance on the Lansing warehouse and stock was to have been placed through the western department of the Boston here. Two policies which expired in September, for \$1,200,000 each, had been placed with the Boston and Phoenix Fire.

### Kansas Mutual Companies Hold Annual Convention

The Kansas State Association of Mutual Insurance Companies elected new officers at its annual meeting in Topeka as follows: President, P. W. Bartsch, secretary Mennonite Mutual, Newton; vice-president, W. J. Spencer, president Farmers Union Mutual, Salina; secretary-treasurer, H. J. Ferguson, vice-president Farmers Alliance, McPherson, who was reelected. E. J. Smalley, retiring president, was elected Kansas director of the National Association of Mutual Fire Insurance Companies. The legislative committee includes Mr. Smalley, Curtis Collins, Belleville, and E. C. Mingenback, McPherson. The auditing committee consists of Abbie Cravatte, Beloit; George Wamhoff, Holyrood, and H. W. Breymeyer, Wamego.

The 1936 convention will be held at Manhattan as guests of Kansas State College.

#### New Plan Is Adopted by the Board After a Survey Was Made by Engineers

DES MOINES, IA., Nov. 13.—The Des Moines school board has revised its insurance program following a survey by expert fire insurance engineers and has largely adopted their recommendations. Three agencies were given a sufficiently large share of the business so that they can supervise the entire insurance scheme. The engineers were connected with companies represented by these agencies. In addition to the survey they made an appraisal of all the buildings and contents resulting in an entirely new schedule of fire and tornado insurance. There are 44 agencies participating in the school insurance.

There was a protest filed by some of the agents against the allotment but the board stood by its original plan. The engineers worked out a coinsurance schedule which seemed business like to the board. The protestants proposed a plan whereby supplemental coverage could be added including inherent explosion, aircraft damage and other hazards.

### Minnesota Seeks Lower Rates

#### Commissioner Yetka Announces Fire Prevention Activities Have This as Ultimate Objective

ST. PAUL, Nov. 13.—Lower fire insurance rates for Minnesota is the goal of the insurance department. Commissioner Frank Yetka announced the real purpose behind fire prevention activity in Minnesota is eventually to reduce fire losses to a point where companies will agree to reduce their rates.

Recently there have been inaugurated throughout the state regional fire schools for the benefit of small town fire departments. Experts in fire prevention and fire fighting have attended these schools and taken part in the programs.

Children are being schooled in the importance of preventing fires. The insurance department cooperated with the Minnesota State Fire Prevention Association in conducting an essay contest among high school pupils with the result that several thousand entries have been received.

Another campaign to cut fire losses is being waged by the fire marshal's office in charge of D. W. Johnson, who has ordered his assistants to make rigid inspections of various types of buildings, such as hospitals, night clubs and public halls.

### Beers Case High Decision

#### Agency Trusteeship Dispute at Janesville Has Been in the Courts for Some Time

JANESVILLE, WIS., Nov. 13.—For the second time since the suit was started early in 1933, the Wisconsin supreme court has ruled that C. P. Beers of Janesville, formerly operating the Rock County Insurance Agency, had an action for breach of contract but not for fraud against the 16 companies and four field men who took over his agency under a trust agreement. Mr. Beers charged the defendants entered a conspiracy to defraud him of his business and sued them for \$150,000 damages.

"Despite the fact that neither the

trial court nor the plaintiff concurs in the views of this court, the former decision is the law of the case," Chief Justice Rosenberry stated regarding the second appeal.

In charging that he was deprived of his agency business, Mr. Beers alleged fraud in the manner in which he was induced to sign a contract or agreement turning over his agency business to representatives of the companies until balances were paid. As evidence of their fraudulent intention, Mr. Beers alleged that they agreed to retain him in charge of the agency under the trusteeship, but locked him out of his office as soon as the trust agreement was signed.

The companies filed demurrer to the original complaint and the supreme court ruled out the charges of fraud and deceit but gave Mr. Beers the right to sue for breach of contract and remanded the suit to circuit court for trial. Previously the lower court had ruled against a demurrer of the companies claiming that no cause for action existed in the complaint, and this was upheld by the supreme court.

A new complaint was made stating cause of action for fraud and conspiracy to which the companies again demurred to the supreme court, resulting in the current ruling.

### Cleveland Needs More Money for Its Fire Department

The National Fire Protection Association engineers report that Cleveland shows a continued lack of adequate financial support for the fire department. A special tax levy for several years on fire department apparatus and equipment would probably be necessary to rehabilitate the department. Fire losses, however, are low as in other large cities. The fire prevention bureau and arson squad are doing excellent work. There has been a special campaign against false alarms. There has been an increase in dwelling fires from common causes during the year.

### Siberz to New Company

J. L. Siberz, Baraboo, Wis., has resigned as special agent for the Lumbermen's Mutual Casualty to become sales manager of the Employers' Mutual Fire of Wausau, Wis., recently organized as a running mate to the Employers' Mutual Liability. Mr. Siberz will supervise sales of the fire company in a number of Wisconsin branch offices, including Milwaukee. For the present he will continue to make his home at Baraboo.

### George J. Cooper to Speak

George J. Cooper, legal advisor of the Michigan Mutual Liability, will speak before the Mutual Fire & Casualty Association of Northwestern Ohio at Toledo on the evening of Nov. 18. He will discuss the new financial responsibility law and its effect on the insurability of a risk.

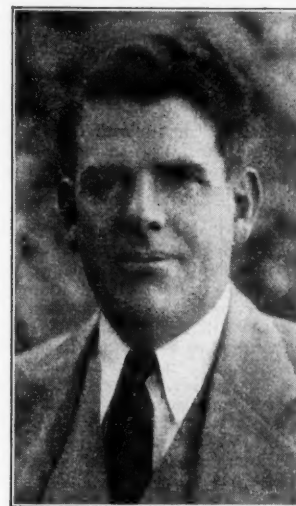
### Cincinnati Association Prize

A prize of \$25 has been offered by the Cincinnati Fire Underwriters Association for the best record made in the evening class in property insurance at the University of Cincinnati. Each student will be judged on a basis of class work grades, an oral examination and a 100 word essay on property insurance or review of one or more of books on the subject which have been recommended by the association for outside reading.

### Dane County, Wis., Organizes

MADISON, WIS., Nov. 13.—A Dane county insurance board was organized here at a meeting of key insurance men of the county and the Madison Board.

### Broderick Agency Secures Auto Finance Insurance



D. F. BRODERICK

The automobile insurance account of the Commercial Investment Trust, one of the largest independent finance companies, has been secured by the D. F. Broderick office of Detroit. Under the arrangement, insurance on all automobiles sold under retail plans of the C. I. T. east of the Rockies and all automobiles financed under wholesale plans throughout the United States and Canada will be written by the Broderick office. The business probably will be placed among the several companies represented by the Broderick office, principally the Home of New York and Harmonia Fire. The Broderick organization and its affiliates write all lines of insurance, including automobile, fire, casualty, surety, bonds and life, with an estimated premium volume for 1936 exceeding \$10,000,000.

#### Branches Are Expanded

David Broderick, president, stated in addition to acquisition of the Commercial Credit business, other lines have increased in proportion, making it necessary to expand offices in Chicago, New York, San Francisco and Washington, where branches are established, in addition to corresponding agents and adjusters maintained in all principal cities.

The office was organized in 1928 by Mr. Broderick, whose experience has been principally in insurance, with long association with the industrial banking field and organization and development of companies engaged in that business.

C. M. Verbiest is vice-president and general manager; L. G. Goodrich, vice-president and treasurer; D. P. Dinwoodie, vice-president and controller; A. R. Jurisch, secretary; C. A. Istock, underwriting manager; J. W. Park, general adjuster; R. Johnson, Jr., associate manager, New York; A. L. Smith, associate manager, Chicago; J. H. Glenn, resident vice-president, San Francisco.

Officers elected were P. F. Donahue, Stoughton, president; A. J. Kenney, Waukegan, vice-president, and W. F. Shar, Madison, secretary.

The executive committee, consisting of O. H. Perry, Cambridge, Kenney; L. G. Lindstrom, president Madison Board, and the officers will draw up organization plans, by-laws, and a constitution.

Hugh A. Bird, Beaver Dam, president of the Wisconsin Association of Insurance Agents, spoke. He said that there is a similar movement in 41 other Wisconsin counties. Advantages of organization, especially better cooperation among county insurance agents, were



enumerated by W. J. Tucker, Beloit, past state president.

W. J. Devine, president Beloit Board, told of the organization of Rock county.

In addition to the officers other speakers included A. W. Schulkamp, H. H. Bush and E. Ethuns.

The next meeting will be held Nov. 19.

### Rhoads to Talk in Cleveland

CLEVELAND, Nov. 13.—Raymond Rhoads of the Ohio insurance department will speak before the Cleveland Board Nov. 20 on "Developments Concerning Examinations for Licenses." He will disclose the results of the license examination law which became effective last August, indicating the proportion of successful applicants as well as examination requirements. Future plans of the insurance department will be considered.

### William Quaid to Speak

William Quaid, vice-president Southern Fire, New York, will discuss "How to Be a Better Salesman of Stock Insurance" at the Nov. 19 meeting of the Cincinnati Fire Underwriters Association.

### Ellis Talks in Lansing

LANSING, MICH., Nov. 13.—At the Lansing Association of Insurance Agents' dinner meeting the superiority of stock insurance was discussed by Will S. Ellis of the Royal-Liverpool & London & Globe's Chicago office. The stock companies' strength is their reserve provisions.

### Ohio Membership Drive

Glenn C. Webb, Lima, chairman of the membership committee of the Ohio association, and Secretary John A. Lloyd have worked out plans for three one-day membership campaigns, in which 50 two-men teams will visit the offices of non-members. The first of these will be held Nov. 20.

Francis P. O'Connor, Lima, president Ohio Association of Insurance Agents, visited local associations in northeastern Ohio, including Akron, Ashtabula, Lorain, Medina, Canton, Warren and Tiffin.

### Takes on Life Company

The Fred L. Gray Company of Minneapolis, which is one of the large general agencies of the northwest operating in Minnesota, Iowa, northern Wisconsin and upper Michigan, and acting as northwest managers for the Standard Accident of Detroit, general agents of the United Firemen's, Royal Exchange and Sentinel Fire, is adding a life insurance department, being appointed Minnesota state manager for the Central Life of Des Moines. Ray G. Butts, vice-president of the agency, is head of the life department.

### Active in Prevention Work

GRAND RAPIDS, MICH., Nov. 13.—The fire and accident prevention committee of the Grand Rapids local board, headed by A. B. Millard, who is also a member of the similar committee of the state association, has been very active of late. The talkie, "Death Takes No Holiday," has been shown to the police department, the traffic squad, the bar association and a number of church and civic organizations and is scheduled for 19 more showings in the Grand Rapids territory under the auspices of the committee.

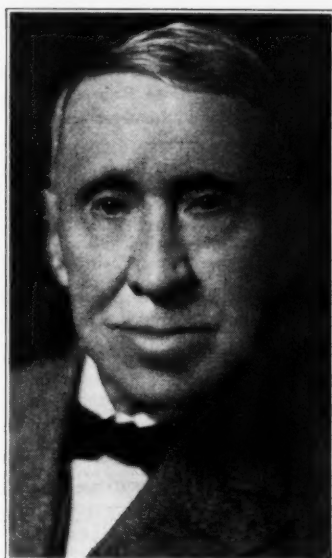
### Ohio Classifications Visited

The Ohio Inspection Bureau has just issued a booklet giving the class of Ohio towns and a list of the Ohio maps. Approximately 1,100 towns are listed, with the date of each map and the number of pages.

### New Illinois Rate Book

The Illinois Inspection Bureau during October published rate books for: Bartonville, Braceville (changed from

### Ohio's "Grand Old Man" Nears 92nd Anniversary



RICHMOND SMITH, Mansfield, O.

Richmond Smith of Mansfield, O., chairman of the board of the Richland County Mutual and vice-president of the Citizens National Bank & Trust Co. of his city, is now 91 years of age, reaching 92, Dec. 14. He has been one of the pillars of the old standard Ohio mutuals and has always stood for conservatism and good underwriting. Mr. Smith is in very good shape for a man of his years but his eyes have almost failed him. His mental faculties are alert, he talks over business with his associates and never forgets old time friends. He spends several hours a day in the Richland County Mutual office and the bank.

### Started His Insurance Career

Mr. Smith started with the Richland County Mutual Jan. 1, 1870. He has been a director of the Citizens National Bank & Trust since it was organized 54 years ago. He has erected eight buildings in Mansfield, one of them being the home office of the Richland County Mutual. The Richland County has paid since organization \$2,798,374 in losses. It has been doing business for 85 years. Its cash assets are \$519,979 and deposit notes \$1,456,778.

### Two Cardinal Principles

In the Mansfield "News Journal" a contributed article about Mr. Smith refers to his longevity and the writer states he has two cardinal principles which he believed have contributed in no small measure to his span of life. They are:

1. Mind your own business and let others take care of theirs.
2. Play your own game. Don't hire someone to do it for you.

Mr. Smith started his business career as a clerk in his father's general store in Mansfield 68 years ago.

10th to 9th class), Fox River Grove, Gibson City, LeRoy, Newton, Round Lake, Polo and Shannon.

### Attend Pearl Celebration

W. A. Earls, well known Cincinnati local agent, was in Chicago Monday as was his son, T. W. Earls, both attending the Pearl Assurance celebration in opening its new western office.

### Insurance Men Elected

In the elections R. S. Winnard of the Fire Association was elected a member of the commission of Upper Arlington, a suburb of Columbus, O., and J. P. Hershberger of the Royal was elected a member of the board of education.



"I JUST CLOSED ANOTHER ONE...that's FIVE so far this week!"

If you are interested in selling fire protection you should be interested in selling a lot of it. To ambitious agents who can work well with a friendly, cooperative company, Reliable offers a real opportunity. Why not write for facts?



Wm. F. Kramer, Secretary

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For Ohio  
Harry J. Favorite  
Michael Kraus

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FINANCIAL  
STABILITY  
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WITH ITS AGENTS

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For Indiana  
C. R. Dobbins

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THE INSURANCE COMPANY  
OF THE  
STATE OF PENNSYLVANIA  
PHILADELPHIA, PA.

### ANNUAL STATEMENT December 31, 1934

Reserve for Unearned Premiums	.....	\$1,658,641.67
Reserve for Losses Under Adjustment	.....	222,651.91
Reserve for Taxes and all other Claims	.....	152,295.71
CASH CAPITAL	.....	1,000,000.00
NET SURPLUS	.....	1,164,346.10

TOTAL ASSETS ..... \$4,197,935.39  
SURPLUS TO POLICYHOLDERS \$2,164,346.10

Actual Market Value

Acquire  
THE OLD "STATE OF PENN"

# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Inconsistency Pointed Out Des Moines School Insurance

**Liquor Cover Ruling in Michigan Shows Disparity in Favor of State Fire Fund**

LANSING, MICH., Nov. 13.—The recent discovery, through a ruling of the Michigan attorney general's department, that a mandatory statute prevents the state liquor control commission from insuring its huge liquor stocks except with the state fire fund, has aroused a storm of criticism throughout the state.

The situation has been brought to the attention of Gov. F. D. Fitzgerald, an ex-officio member of the commission, in a letter from a prominent agent who has been a strong political ally of the governor's but was not scheduled to receive any of the commission's business which has been canceled through the recent legal opinion.

The letter emphasizes that licensed fire carriers are not permitted by statute to assume single risks exceeding 10 percent of their paid-in capital and surplus, yet the fire fund with something more than \$600,000 assets, is forced by law to "cover" a single commission warehouse in Lansing on which the total risk is around \$3,000,000. This situation, it is urged, should be corrected even if the law is stretched slightly.

#### Stricter Requirements

It is pointed out that if the fire fund were operated as a regular insurance company it would be forced to set up a reinsurance reserve amounting to 50 percent of the annual premium. The agent cited the practice of one of his companies as typical of the safeguards which would be set up if facilities of stock companies were used as contemplated by the commission. This company, he said, authorized acceptance of only \$400,000 of the commission's business with the understanding \$320,000 would be reinsured, although total assets are over \$40,000,000. Even net retention would have been divided between three companies controlled by the bidding carrier.

Under the set-up approved by the commission, a total of \$2,400,000 insurance on the Lansing warehouse and stock was to have been placed through the western department of the Boston here. Two policies which expired in September, for \$1,200,000 each, had been placed with the Boston and Phoenix Fire.

### Kansas Mutual Companies Hold Annual Convention

The Kansas State Association of Mutual Insurance Companies elected new officers at its annual meeting in Topeka as follows: President, P. W. Bartsch, secretary Mennonite Mutual, Newton; vice-president, W. J. Spencer, president Farmers Union Mutual, Salina; secretary-treasurer, H. J. Ferguson, vice-president Farmers Alliance, McPherson, who was reelected. E. J. Smalley, retiring president, was elected Kansas director of the National Association of Mutual Fire Insurance Companies. The legislative committee includes Mr. Smalley, Curtis Collins, Belleville, and E. C. Mingenback, McPherson. The auditing committee consists of Abbie Cravatte, Beloit; George Wamhoff, Holyrood, and H. W. Breymeyer, Wamego.

The 1936 convention will be held at Manhattan as guests of Kansas State College.

**New Plan Is Adopted by the Board After a Survey Was Made by Engineers**

DES MOINES, IA., Nov. 13.—The Des Moines school board has revised its insurance program following a survey by expert fire insurance engineers and has largely adopted their recommendations. Three agencies were given a sufficiently large share of the business so that they can supervise the entire insurance scheme. The engineers were connected with companies represented by these agencies. In addition to the survey they made an appraisal of all the buildings and contents resulting in an entirely new schedule of fire and tornado insurance. There are 44 agencies participating in the school insurance.

There was a protest filed by some of the agents against the allotment but the board stood by its original plan. The engineers worked out a coinsurance schedule which seemed business like to the board. The protestants proposed a plan whereby supplemental coverage could be added including inherent explosion, aircraft damage and other hazards.

### Minnesota Seeks Lower Rates

**Commissioner Yetka Announces Fire Prevention Activities Have This as Ultimate Objective**

ST. PAUL, Nov. 13.—Lower fire insurance rates for Minnesota is the goal of the insurance department. Commissioner Frank Yetka announced the real purpose behind fire prevention activity in Minnesota is eventually to reduce fire losses to a point where companies will agree to reduce their rates.

Recently there have been inaugurated throughout the state regional fire schools for the benefit of small town fire departments. Experts in fire prevention and fire fighting have attended these schools and taken part in the programs.

Children are being schooled in the importance of preventing fires. The insurance department cooperated with the Minnesota State Fire Prevention Association in conducting an essay contest among high school pupils with the result that several thousand entries have been received.

Another campaign to cut fire losses is being waged by the fire marshal's office in charge of D. W. Johnson, who has ordered his assistants to make rigid inspections of various types of buildings, such as hospitals, night clubs and public halls.

### Beers Case High Decision

**Agency Trusteeship Dispute at Janesville Has Been in the Courts for Some Time**

JANESVILLE, WIS., Nov. 13.—For the second time since the suit was started early in 1933, the Wisconsin supreme court has ruled that C. P. Beers of Janesville, formerly operating the Rock County Insurance Agency, had an action for breach of contract but not for fraud against the 16 companies and four field men who took over his agency under a trust agreement. Mr. Beers charged the defendants entered a conspiracy to defraud him of his business and sued them for \$150,000 damages.

"Despite the fact that neither the

trial court nor the plaintiff concurs in the views of this court, the former decision is the law of the case," Chief Justice Rosenberry stated regarding the second appeal.

In charging that he was deprived of his agency business, Mr. Beers alleged fraud in the manner in which he was induced to sign a contract or agreement turning over his agency business to representatives of the companies until balances were paid. As evidence of their fraudulent intention, Mr. Beers alleged that they agreed to retain him in charge of the agency under the trusteeship, but locked him out of his office as soon as the trust agreement was signed.

The companies filed demurrer to the original complaint and the supreme court ruled out the charges of fraud and deceit but gave Mr. Beers the right to sue for breach of contract and remanded the suit to circuit court for trial. Previously the lower court had ruled against a demurrer of the companies claiming that no cause for action existed in the complaint, and this was upheld by the supreme court.

A new complaint was made stating cause of action for fraud and conspiracy to which the companies again demurred to the supreme court, resulting in the current ruling.

### Cleveland Needs More Money for Its Fire Department

The National Fire Protection Association engineers report that Cleveland shows a continued lack of adequate financial support for the fire department. A special tax levy for several years on fire department apparatus and equipment would probably be necessary to rehabilitate the department. Fire losses, however, are low as in other large cities. The fire prevention bureau and arson squad are doing excellent work. There has been a special campaign against false alarms. There has been an increase in dwelling fires from common causes during the year.

### Siberz to New Company

J. L. Siberz, Baraboo, Wis., has resigned as special agent for the Lumbermen's Mutual Casualty to become sales manager of the Employers' Mutual Fire of Wausau, Wis., recently organized as a running mate to the Employers' Mutual Liability. Mr. Siberz will supervise sales of the fire company in a number of Wisconsin branch offices, including Milwaukee. For the present he will continue to make his home at Baraboo.

### George J. Cooper to Speak

George J. Cooper, legal advisor of the Michigan Mutual Liability, will speak before the Mutual Fire & Casualty Association of Northwestern Ohio at Toledo on the evening of Nov. 18. He will discuss the new financial responsibility law and its effect on the insurability of a risk.

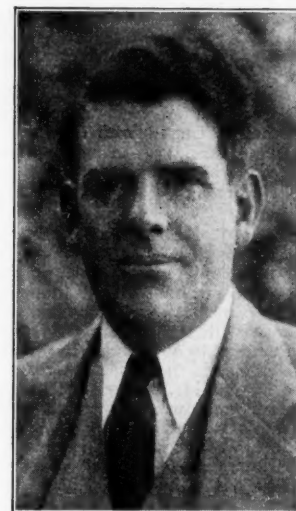
### Cincinnati Association Prize

A prize of \$25 has been offered by the Cincinnati Fire Underwriters Association for the best record made in the evening class in property insurance at the University of Cincinnati. Each student will be judged on a basis of class work grades, an oral examination and a 100 word essay on property insurance or review of one or more of books on the subject which have been recommended by the association for outside reading.

### Dane County, Wis., Organizes

MADISON, WIS., Nov. 13.—A Dane county insurance board was organized here at a meeting of key insurance men of the county and the Madison Board.

### Broderick Agency Secures Auto Finance Insurance



D. F. BRODERICK

The automobile insurance account of the Commercial Investment Trust, one of the largest independent finance companies, has been secured by the D. F. Broderick office of Detroit. Under the arrangement, insurance on all automobiles sold under retail plans of the C. I. T. east of the Rockies and all automobiles financed under wholesale plans throughout the United States and Canada will be written by the Broderick office. The business probably will be placed among the several companies represented by the Broderick office, principally the Home of New York and Harmonia Fire. The Broderick organization and its affiliates write all lines of insurance, including automobile, fire, casualty, surety, bonds and life, with an estimated premium volume for 1936 exceeding \$10,000,000.

#### Branches Are Expanded

David Broderick, president, stated in addition to acquisition of the Commercial Credit business, other lines have increased in proportion, making it necessary to expand offices in Chicago, New York, San Francisco and Washington, where branches are established, in addition to corresponding agents and adjusters maintained in all principal cities.

The office was organized in 1928 by Mr. Broderick, whose experience has been principally in insurance, with long association with the industrial banking field and organization and development of companies engaged in that business.

C. M. Verbiest is vice-president and general manager; L. G. Goodrich, vice-president and treasurer; D. P. Dinwoodie, vice-president and controller; A. R. Jurisch, secretary; C. A. Istock, underwriting manager; J. W. Park, general adjuster; R. Johnson, Jr., associate manager, New York; A. L. Smith, associate manager, Chicago; J. H. Glenn, resident vice-president, San Francisco.

Officers elected were P. F. Donahue, Stoughton, president; A. J. Kenney, Waunakee, vice-president, and W. F. Shar, Madison, secretary.

The executive committee, consisting of O. H. Perry, Cambridge, Kenney; L. G. Lindstrom, president Madison Board, and the officers will draw up organization plans, by-laws, and a constitution.

Hugh A. Bird, Beaver Dam, president of the Wisconsin Association of Insurance Agents, spoke. He said that there is a similar movement in 41 other Wisconsin counties. Advantages of organization, especially better cooperation among county insurance agents, were



enumerated by W. J. Tucker, Beloit, past state president.

W. J. Devine, president Beloit Board, told of the organization of Rock county. In addition to the officers other speakers included A. W. Schulkamp, H. H. Bush and E. Ethuns.

The next meeting will be held Nov. 19.

#### Rhoads to Talk in Cleveland

CLEVELAND, Nov. 13.—Raymond Rhoads of the Ohio insurance department will speak before the Cleveland Board Nov. 20 on "Developments Concerning Examinations for Licenses." He will disclose the results of the license examination law which became effective last August, indicating the proportion of successful applicants as well as examination requirements. Future plans of the insurance department will be considered.

#### William Quaid to Speak

William Quaid, vice-president Southern Fire, New York, will discuss "How to Be a Better Salesman of Stock Insurance" at the Nov. 19 meeting of the Cincinnati Fire Underwriters Association.

#### Ellis Talks in Lansing

LANSING, MICH., Nov. 13.—At the Lansing Association of Insurance Agents' dinner meeting the superiority of stock insurance was discussed by Will S. Ellis of the Royal-Liverpool & London & Globe's Chicago office. The stock companies' strength is their reserve provisions.

#### Ohio Membership Drive

Glenn C. Webb, Lima, chairman of the membership committee of the Ohio association, and Secretary John A. Lloyd have worked out plans for three one-day membership campaigns, in which 50 two-men teams will visit the offices of non-members. The first of these will be held Nov. 20.

Francis P. O'Connor, Lima, president Ohio Association of Insurance Agents, visited local associations in northeastern Ohio, including Akron, Ashtabula, Lorain, Medina, Canton, Warren and Tiffin.

#### Takes on Life Company

The Fred L. Gray Company of Minneapolis, which is one of the large general agencies of the northwest operating in Minnesota, Iowa, northern Wisconsin and upper Michigan, and acting as northwest managers for the Standard Accident of Detroit, general agents of the United Firemen's, Royal Exchange and Sentinel Fire, is adding a life insurance department, being appointed Minnesota state manager for the Central Life of Des Moines. Ray G. Butts, vice-president of the agency, is head of the life department.

#### Active in Prevention Work

GRAND RAPIDS, MICH., Nov. 13.—The fire and accident prevention committee of the Grand Rapids local board, headed by A. B. Millard, who is also a member of the similar committee of the state association, has been very active of late. The talkie, "Death Takes No Holiday," has been shown to the police department, the traffic squad, the bar association and a number of church and civic organizations and is scheduled for 19 more showings in the Grand Rapids territory under the auspices of the committee.

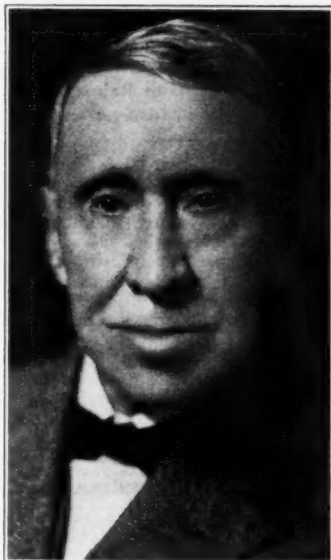
#### Ohio Classifications Visited

The Ohio Inspection Bureau has just issued a booklet giving the class of Ohio towns and a list of the Ohio maps. Approximately 1,100 towns are listed, with the date of each map and the number of pages.

#### New Illinois Rate Book

The Illinois Inspection Bureau during October published rate books for: Bartonville, Braceville (changed from

### Ohio's "Grand Old Man" Nears 92nd Anniversary



RICHMOND SMITH, Mansfield, O.

Richmond Smith of Mansfield, O., chairman of the board of the Richland County Mutual and vice-president of the Citizens National Bank & Trust Co. of his city, is now 91 years of age, reaching 92, Dec. 14. He has been one of the pillars of the old standard Ohio mutuals and has always stood for conservatism and good underwriting. Mr. Smith is in very good shape for a man of his years but his eyes have almost failed him. His mental faculties are alert, he talks over business with his associates and never forgets old time friends. He spends several hours a day in the Richland County Mutual office and the bank.

#### Started His Insurance Career

Mr. Smith started with the Richland County Mutual Jan. 1, 1870. He has been a director of the Citizens National Bank & Trust since it was organized 54 years ago. He has erected eight buildings in Mansfield, one of them being the home office of the Richland County Mutual. The Richland County has paid since organization \$2,798,374 in losses. It has been doing business for 85 years. Its cash assets are \$519,979 and deposit notes \$1,456,778.

#### Two Cardinal Principles

In the Mansfield "News Journal" a contributed article about Mr. Smith refers to his longevity and the writer states he has two cardinal principles which he believed have contributed in no small measure to his span of life. They are:

1. Mind your own business and let others take care of theirs.
2. Play your own game. Don't hire someone to do it for you.

Mr. Smith started his business career as a clerk in his father's general store in Mansfield 68 years ago.

10th to 9th class), Fox River Grove, Gibson City, LeRoy, Newton, Round Lake, Polo and Shannon.

#### Attend Pearl Celebration

W. A. Earls, well known Cincinnati local agent, was in Chicago Monday as was his son, T. W. Earls, both attending the Pearl Assurance celebration in opening its new western office.

#### Insurance Men Elected

In the elections R. S. Winnard of the Fire Association was elected a member of the commission of Upper Arlington, a suburb of Columbus, O., and J. P. Hershberger of the Royal was elected a member of the board of education.



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Actual Market Value

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## IN THE SOUTHERN STATES

### Florida Boards Tighten Up

**Jacksonville and St. Petersburg Adopt  
New Regulations to Raise Stand-  
ards—Orlando Insurers Elect**

JACKSONVILLE, FLA., Nov. 13.—The Jacksonville Insurers Association has made a number of changes in its rules. Members must maintain their own offices, issue policies and engage only in the insurance business, S. E. U. A. rules must be observed, and dual agencies will be permitted only with consent of both agencies and approval of the board of directors. Members may not represent any company or group with agencies in offices outside the board. While membership in the National Association of Insurance Agents is not mandatory, it is urged.

### ST. PETERSBURG REGULATIONS

ST. PETERSBURG, FLA., Nov. 13.—With a new set of by-laws the St. Petersburg Insurer's Exchange is in line with the other progressive agency boards. Members must maintain offices in the city and represent stock board companies, fire, casualty and surety. While dual agencies are not permitted the rule is not retroactive. Control is exercised in division of commissions with non-resident agents and brokers, who are to be dealt with only after all facilities of board members are exhausted. Officers report that a copy of the regulations have been filed with company men and full cooperation has been assured by the carriers. Association membership is 31, or 97 percent of the qualified agents. Lawton Swan, St. Petersburg president, is also a state association director.

### HALL IS ORLANDO PRESIDENT

ORLANDO, FLA., Nov. 13.—The Orlando Insurers Association has elected the following officers: President, Henry Hall, succeeding R. P. Harman, a state director; vice-president, R. D. Galbraith; secretary, Sol Wittenstein; treasurer, Robert Duckworth; directors, R. P. Harman, Earl Dukes and R. T. Tucker, and the officers. The Orlando association has more than doubled its membership in two years and is now one of the very strong boards of the state.

### Southern Conference Meets

**Non-Stock Competition, Commissions,  
Rate Revisions, Suspension Coverage  
Are Among Topics Discussed**

ATLANTA, GA., Nov. 13.—At the call of H. C. Arnall, Newman, Ga., president, and J. D. Saint, secretary, Raleigh, the first meeting of the Southern Agents Conference was held here with over 75 prominent agents in attendance. Outside of a national convention, this was the largest meeting of agents held in the south in many years. Presidents of various state associations from Virginia to Florida and one member of the executive committee of the National Association of Insurance Agents were present. No company men sat in on the hearing and discussions.

The purpose of the meeting was to discuss ways and means to combat the inroads that the non-stock insurance companies were making into the business in the Southeastern Underwriters Association territory. For relief, many schemes were proposed from the floor, but the conference voted to have its conference committee to meet with officials of the S. E. U. A. to propose a commission scale for its agents and that the tariff rates on property in this section be rerated so that the profitable

classes not carry a "load" for the unprofitable business. The committee was instructed to present this matter to the National association at its next convention. Among other things proposed was that the companies grant pro-rata suspension coverage in the resort sections of Florida, Georgia and the Carolinas on automobiles. Participating policies were discussed. A motion was passed that another meeting be called within the next six months.

### North Carolina Hearing on Revised Insurance Code

Insurance Commissioner King of South Carolina has set Nov. 13-15 for hearings to be conducted over the re-draft and codification of the insurance laws of his state. Wednesday was devoted to life insurance, Thursday to fire insurance and on Friday, casualty and surety. The South Carolina legislature provided for the appointment of a committee to study the insurance laws and bring them up to date. This committee is to report at the 1936 session.

### Oklahoma Insurance Board Urges Higher Qualifications

OKLAHOMA CITY, OKLA., Nov. 13.—A more rigid system that would in itself safely eliminate persons to whom licenses have been granted, is the goal

### Vice President



W. S. KEESE, JR., Chattanooga

W. S. Keese, Jr., of the Trotter, Boyd & Keese agency of Chattanooga, Tenn., is the new vice-president of the Tennessee Association of Insurance Agents. He is just in the bloom of youth, being 32 years of age. He is a Harvard graduate with the class of 1925. He served with the Fidelity Trust Company for two years as manager of its insurance department and then went into partnership with Frank Thomas, now football coach at the University of Alabama, for three years. He formed partnership with W. H. Trotter, Jr., and A. Pollack Boyd in 1930, making the present firm. He was treasurer of the Chattanooga Insurance Exchange and its president for the last two years. He has served as president of the young men's division of the Chattanooga chamber of commerce, chairman of the fire prevention committee of that body and is now one of the coming men in Tennessee local circles.



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■ The Insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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Special attention to the Law of Fire Insurance

to which the state insurance board is committed, according to S. W. Philpott, secretary. A new application blank for fire and casualty agents is proposed. When this is completed, it will probably be extended to include life agents as well.

There is no doubt that many among the 20,000 agents in the state should not be in the insurance business, according to members of the board. Those not active insurance agents should not have licenses issued them, and the plan in revising the application blanks may serve the purpose, it is thought.

### Tulsa Agents Endorse Plan

Secretary S. W. Philpott of the Oklahoma Insurance Board, addressed the meeting of the Tulsa Association of Fire & Casualty Insurance Agents, explaining the program for a general clean up of fire and casualty agencies by raising license standards. The Tulsa association passed a resolution endorsing the plan and pledged its support.

### Johnson Is Life Member

Commissioner J. H. Johnson of Mississippi has been appointed a life member of the fire department in his home town, Clarksdale, by ordinance.

### Agents to Meet in "Pen"

The Yazoo-Delta Association of Agents will be "put in the pen" Nov. 20. They have accepted the invitation of Superintendent Tann of the Mississippi state penitentiary at Parchman to be his guest for their regular meeting, and to enjoy a barbecue. The Greenville Board, which was the appointed host for the meeting, waived its right in favor of Mr. Tann, and the agents said they would run the risk of getting away from Parchman after the barbecue.

### Millers National Men on Visit

H. M. Giles, president Millers National of Chicago, and H. P. Biehr, examiner from the home office, are on an agency tour of the south. Their itinerary calls for a few days' stop at the L. E. Rife general agency, Mobile, Ala. They will cover several principal cities in Florida, accompanied by H. E. Murphy, state agent, and are expected back in Chicago Nov. 18.

### Texas Department Changes

DALLAS, Nov. 13.—H. H. Rogers, who has been in charge of the Dallas office of the Texas fire insurance department, has been promoted to assistant chief rater in the department at Austin. O. H. Ridgeway has been named to succeed Mr. Rogers. J. F. Teer, manager at San Antonio, has been made assistant to Mr. Ridgeway. D. J. Bartlett, field representative, succeeds Mr. Ridgeway.

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## PACIFIC COAST AND MOUNTAIN

### Special Agents Put on Meets

Oregon and Washington Divisions of Pacific Northwest Body Hold Educational Sessions

PORTLAND, ORE., Nov. 13.—Members of the Oregon division of the Special Agents Association of Pacific Northwest on their tour of eastern Oregon held educational meetings at Pendleton and LaGrande. The program was similar at each meeting, including: "Stock Companies and What They Offer the Local Agent" by L. N. Brainerd, Aetna Fire; "Auto Insurance" by W. R. Fritz, Fire Association; "Inland Marine Insurance," E. A. Valentine, Fireman's Fund; "The Oregon Insurance Rating Bureau as an Aid to the Local Agent" by C. F. Wagner, chief engineer Oregon Insurance Rating Bureau; "Side Lines" by C. F. Carlisle, North America; "The Agent's Responsibility to His Company," Robert S. Aitken, American of Newark.

### MEETINGS IN WASHINGTON

TACOMA, WASH., Nov. 13.—In the second of a series of meetings planned for the winter season the western Washington division of the Special Agents of Pacific Northwest under President H. O. Hoteling presented a program at a dinner meeting of Pierce County Agents Association. Speakers were E. W. Trenbath, Norwich Union; Arnold Lindholm, Washington Survey & Rating Bureau; E. W. Porep, North America; Albert A. Carson, Hartford; S. R. Hubbard, Commercial Union; W. G. Frazier, St. Paul F. & M.; and A. V. Holman, America Fore.

### Nevada Agents Are Active

RENO, NEV., Nov. 13.—Harry Badger, secretary of the Pacific Board, addressed the monthly meeting of the Washoe County Insurance Agents Association here on "Board and Non-Board Companies." He outlined the history of the board and discussed advantages of membership.

This group, which takes in Reno and the nearby town of Sparks, was organized a little over a year ago and has made progress. It now has about 20 members, 15 of whom have joined the National Association of Insurance Agents.

Charles V. Carter is president with Gene Sweatt as vice-president, Verne Hirsch as treasurer and Roy S. Frazer as secretary.

Shortly after the Reno county association was formed, a state group, the Nevada State Association of Insurance Agents, was formed. It is planned to make this group more active next year. Lou Frankle of Rerington is president, Mr. Carter vice-president and Harry Upsom of Reno secretary. This group has just entered the National association.

### Lovejoy & Ludlow New Agency

SEATTLE, WASH., Nov. 13.—The Lovejoy & Ludlow agency has been formed here by George A. Lovejoy, state senator, and Ben Ludlow. Mr. Ludlow was a special agent for 15 years here with the North British & Mercantile and in later years was manager of the United General Agency here.

### Insurance Women's Nominees

Audri C. Ursin of Edward Brown & Sons, has been nominated for the presidency of the San Francisco Insurance Women's League, Victoria B. Kummer of Richards & Rhorer has been nominated for vice president, Gladys G. Moxley of the Bankers & Shippers for secretary and Irene E. Demartini of Atwell, Vogel & Sterling, treasurer.

### Washington Rate Situation

Far West Agents Conference Proposed—Three Companies Have Preferential Automobile Liability Rates

SEATTLE, Nov. 13.—Numerous agency problems will confront the regular fall meeting of the executive committee of the Insurance Agents League of Washington here Nov. 22. The meeting was called by President G. R. Thieme of Seattle and Executive Committee Chairman T. L. Ross of Wenatchee. Some 25 leading agents, including local board presidents, will attend the sessions which begin with a dinner. An entertainment feature of the gathering will be the Washington-Oregon football game.

Among the matters to be considered will be the proposed formation of the Far West Agents Conference. Preliminary arrangements are being handled by H. H. Lipps, president Idaho association, who will have his plans ready for announcement by meeting time. Representation has already been assured from California, Washington, Oregon and Idaho with some of the other states also expected to send delegates. Fire rates will occupy major attention at the meeting. Washington fire rates are considered to be at a stabilized rate level, although the press of participating competition has been perceptible and there are numerous complaints from agents throughout the state. All of the companies are writing at 30 percent deviation from the rates of the Washington Surveying & Rating Bureau, but the Pearl has filed special hazard schedules and the General of Seattle and the Northwestern Mutual are paying 20 percent dividends on both three and five-year term policies. Both are home companies and have been successful in writing approximately 20 percent of the net fire premiums produced in the state.

Proposed increases in automobile liability rates due to the poor experience of the casualty companies will also receive consideration. At the present time all companies are writing at equal rates, although in recent months competition is again arising on a price basis. The former two companies are using rate cuts, while the mutual has devised a five-point automobile policy, including public liability and property damage, and is writing business on a one-third premium retention basis. Its policies are assessable to the extent of six times one annual premium.

### Libel Charge Knocked Out

Montana Supreme Court Finds for Home F. & M. in Action Brought by Miller Agency

The Home Fire & Marine of the Fireman's Fund group has been cleared of a libel charge in the case brought by the Miller agency of Butte, by the Montana supreme court. That court upheld the action of the lower court in granting a motion for non-suit.

In 1929 the Home F. & M. appointed the Bennett-Bertoglio company agent in Butte. Under the contract the agent agreed it would not accept any commission that was at variance with that paid by the Home F. & M. and would not represent any non-board company.

The Miller agency bought the Bennett-Bertoglio company and continued to represent the Home F. & M. In 1932, the Miller agency "commenced a campaign for the selling of insurance at reduced rates" and shortly after Culver of the Home F. & M., in the name of his company, mailed a letter to Home F. & M. policyholders who were insured through the Miller agency stating that the Home F. & M. had been transferred

to the David & Schilling agency and that they were the only local representatives authorized to handle matters pertaining to policies issued through the Miller agency.

The Miller agency charged that constituted libel on the ground the letters were sent maliciously and with the in-

tent wrongfully to injure the Miller agency.

The supreme court held that the publication of the letter is actionable only if "false and unprivileged." The court found that the contract of the Home F. & M. with the Miller agency was properly terminated. Neither law nor cus-

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tom, according to the court, requires that, when an agent terminates his agency either with or without the consent of the company, for the purpose of serving a rival company, the right to renew all existing policies in the rival company remained in the agent.

The letter is a conditionally privileged publication, as it was mailed on an occasion which furnished prima facie legal excuse for the making of it and could, therefore, be held libelous only on a showing of actual malice. There was no evidence of ill will at the home office.

#### Addressed Fire Chiefs Club

Capt. Edward Greehy of the San Francisco Underwriters Fire Patrol addressed the meeting of the Northern California Fire Chiefs Club at Santa Rosa last Saturday. He spoke of salvage work. Other speakers included Chief Brennan of San Francisco, president of the International Association of Fire Chiefs, and Thomas Larke, Jr., prominent insurance broker of San Francisco.

#### Spokane, Portland Branches

SEATTLE, WASH., Nov. 13.—The Washington General Agency has established two branch offices to handle eastern Washington and Oregon business. The eastern Washington office is located at 626 Spokane & Eastern building, Spokane, and the Oregon office in 435 Mead building, Portland, Ore. Mark Dearborn has charge of the Spokane office

and Neil Baldwin and Miss I. J. Gregg will handle the Portland office.

#### Webb with Swett & Crawford

Roy G. Webb has been appointed assistant manager at Los Angeles for Swett & Crawford. He has been in the business 23 years and was formerly manager of the Southern California department of the Ocean Accident.

#### Callender & Sampson Named

Callender & Sampson, Seattle local agency, has been named general agents for the Capitol Life of Denver.

Harold Rowley of Portland, Ore., office of the Inspection Service Company has been appointed inspector in charge of the Seattle office. He was formerly a special agent in Seattle.

William Grobschmidt of the Grobschmidt Agency, South Milwaukee, Wis., has been appointed a member of the

### Eastern States Activities

#### Testimonial Dinner for Bair

Pittsburgh Insurance Men to Honor President of the National Association of Insurance Agents

The Pittsburgh Fire Insurance Agents Association and the Pittsburgh Insurance Club will give a testimonial dinner to Kenneth H. Bair of Greensburg, Pa., president National Association of Insurance Agents, next Monday evening at the Roosevelt hotel. Insurance Commissioner Owen B. Hunt of Pennsylvania will be a guest. The committee in charge consists of C. H. Bokman, C. A. Reid, A. E. McCloskey, H. E. McKelvey and J. L. Frew. Albert C. Suplee is president of the Pittsburgh Insurance Club and C. C. Kohne of the insurance agents' association.

#### Rhode Island Agents in Their Annual Meeting

PROVIDENCE, R. I., Nov. 13.—The annual banquet of the Rhode Island Association of Insurance Agents was held tonight at Turks Head Club in this city. The speakers were John W. Downes of Boston, counsel for the Massachusetts Insurance Federation; E. J. Cole, Fall River, Mass., former president National Association of Insurance Agents, and William Quaid, vice-president of the Home group. George I. Parker of Pawtucket is president of the Rhode Island association.

#### To Consider Boston Proposal

BOSTON, Nov. 13.—At a meeting of the Boston Board Dec. 10 the membership will consider the recommendation of its executive committee "that no Boston Board member shall appoint or continue to be represented after Jan. 1, 1936, by any agent in Eastern Underwriters Association territory and pay commissions in excess of those allowed by the rules and requirements of the Eastern Underwriters Association."

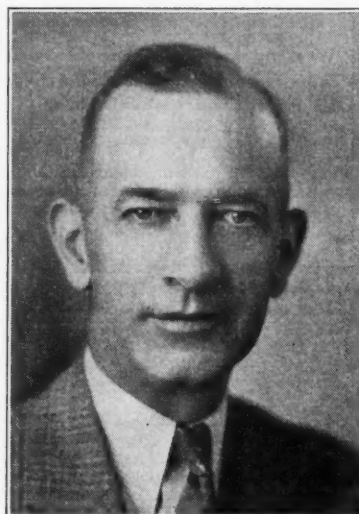
#### New Hampshire Move Made

Among other questions proposed for consideration by the newly chosen executive committee of the New Hampshire Association of Insurance Agents is the employment of a paid executive secretary; either by the association individually or in conjunction with some adjoining state.

#### Buffalo Needs Buttressing

The National Fire Protection Association states that it is still concerned with lack of adequate fire prevention

### New Vice-President of California Local Agents



G. C. APPLETON, Fresno

G. C. Appleton of Fresno, Cal., partner in the agency of Shepard-Knapps-Appleton, is the new vice-president of the California Association of Insurance Agents. He is regarded as one of the forceful men in the organization. The California association has the largest membership of any state organization.

measures in Buffalo. It advocates the establishment of a modern fire prevention bureau in the fire department. This would include arson investigation work. There should be an adequate fire prevention code. Lack of civil service protection to fire chiefs has always been a handicap to proper fire department administration in the city, the N. F. P. A. said.

#### Eastern Notes

The Auburn, N. Y., chamber of commerce reports that the proposed new building code has been completed and will be submitted to the city council in the near future.

Edward M. Schmuls, president New Jersey Association of Underwriters, is scheduled to speak at the last quarterly meeting of the Passaic County Association of Insurance Agents.

H. E. Dewey has taken over the active operation of the general insurance business in Lancaster, N. Y., formerly operated by his father, the late R. A. Dewey. The name will be changed from Dewey & Dewey to Howard E. Dewey.

The Ohio department has released its examination of the Lumbermen's Mutual of Mansfield, O., as of May 1, showing assets \$2,376,203, premium reserve \$1,321,913, net surplus \$876,642.

### MARINE NEWS

#### Floater Form Is Reinstated

Commissioner Sullivan of Washington Finds Personal Property Contract Is in Public Interest

Modifications in the definition and interpretation of the insuring powers of marine and transportation underwriters are made by Insurance Commissioner W. A. Sullivan of Washington, to permit writing of the personal property floater, which some time ago was ruled out in the state. Three changes are made so complete protection may be extended under one policy irrespective as to where the property is located, and another change made to grant permission to write the personal property floater without restriction as to the particular domicile.

One change eliminates from tourist and/or personal effects floater policies

covering individuals, the exclusion of hazards while in permanent residence of assured. Another change eliminates from furriers and/or fur storer's customer's policies, covering individuals and/or generally, on specified garments owned by customers the restriction of coverage only while in custody of the furrier and/or fur storer.

A third change eliminates on silverware floaters the exclusion of coverage in permanent residence of assured. There is also eliminated as an exclusion another law provision which forbade writing any policy substantially the equivalent of the personal property floater or householder's comprehensive form.

The ruling permits tourist floaters to be written to cover in the assured's residence. Exceptions regarding the personal property floater, furriers' customers' policies and the silverware floater have been made by many other states, but the relaxing of the rule on the tourist floater is a new exception.

"The question of an all risk policy is one of absorbing interest to all purchasers of insurance," Commissioner Sullivan, who is president of the Commissioners Convention, states. "Evolution and changes are continually going on and will continue as time goes by, and the business of insurance must be adaptable to meet the ever changing conditions. As a result of these changes it must be acknowledged that the interests of the insuring public should be given major consideration.

#### Gives His Conclusions

"The personal property floater policy is a definite advancement and reflects the willingness of underwriters to meet the present new conditions. The restrictions heretofore adopted, if continued, will not only impose an unnecessary penalty upon the insuring public, but will invite uncontrollable competition from non-admitted companies, thereby robbing legitimate admitted companies and their licensed agents of their premium income."

The Washington action was taken in line with request contained in a resolution adopted by the Insurance Agents League of Washington at the annual meeting in Bellingham, and also special requests from a number of companies. It is considered likely that the Washington department's ruling will be followed by other insurance departments and ultimately may result in re-vamping the marine definition. A number of other states previously had broadened the definition to permit writing the personal property floater.

The nation-wide marine definition has had a stormy history in Washington, that state being one of the first to adopt it and later rescinding. Last summer Commissioner Sullivan reinstated it in full, so these modifications mark the fourth official action taken on it by the state.

#### Demands American Companies

Due to the fact that the navy department is insisting that the builders risk syndicate be composed exclusively of American companies, American owned, unless it is impossible to secure from these companies the desired \$5,000,000 capacity on a single risk, organization of the syndicate is being delayed.

The required capacity was obtained but the navy department reiterated its preference for American companies. Now it will be necessary to canvass the offices again to determine whether the necessary capacity in American owned American companies is obtainable. It is doubtful whether the navy department would permit American companies to take larger participations, with the idea of reinsuring part of their liability in foreign companies.

#### Yacht Losses Estimated

NEW YORK, Nov. 13.—No definite information is available to date regarding yacht losses in Florida during recent hurricanes, but a general estimate places the figure between \$300,000 and \$500,000.



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## AMERICAN AUTOMOBILE INSURANCE COMPANIES

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ST. LOUIS, MISSOURI

*"Oldest and Largest Insurers of Automobiles Exclusively"*



# The National Underwriter

November 14, 1935

CASUALTY AND SURETY SECTION

Page Thirty-one

## Claim Experience Less Favorable

Casualty Executives Search Reasons for Showing on Automobile Accidents

### RESULT OF GREATER SPEED

Lower Priced Cars With Greater Power and More Liquor Being Consumed Are Factors

NEW YORK, Nov. 13.—Casualty companies that are writing automobile insurance are watching the experience this year very carefully. Most of them find that accident frequency and severity are increasing. Some companies have traced back accidents to their cause and now have some very definite ideas as the present year's record does not look favorable. It seems that the greatest cause of accidents now is the lower priced cars possessing such extra power and speed. Many people who have been driving higher priced cars have gone to the lower priced ones, first because they are less expensive to maintain and at the same time their capacity for speed is the same as the higher priced cars. They cost less in the first place and many folks being hit by the depression are economizing on their automobile arrangements.

#### Cars Are More Comfortable

Furthermore these lower priced cars are far more comfortable from the riding standpoint. There is not the chasm between the lower priced and the higher priced cars so far as comfort and speed are concerned as there has been in the past. Therefore, the manufacturers in putting greater power into lower priced cars have added greatly to the accident record.

Some of the executives here say that no doubt rates for personal liability and property damage will have to be increased on the lower priced cars. There has not been any greater claim ratio so far as the higher priced cars are concerned. As the experience is segregated, the increase all points to the lower priced cars that have increased their speed capacity.

Executives agree that it is a mistake to lower rates in these times when these changes are being brought about. It is a very easy matter to decrease rates but a much more difficult matter to increase them. There is a grave question in the minds of many office officials as to whether the effort to meet competition through reduced rates is a wise one where the loss experience does not warrant the reduction. This course has been pursued in the past and the companies have found themselves face to face with a deficit and yet little has been accomplished in putting competitors out of the way.

In connection with the higher priced cars, there is another factor that un-

## See Prospect of Patching Up Old Issue Over "Boiler"

### MAY END THE OVERLAPPING

Controversy Over Residence Cover Between Fire and Boiler Companies of Long Standing

NEW YORK, Nov. 13.—The overlapping of coverage under simple explosion policies issued upon residences by fire companies and those of steam boiler insurance companies, has been the cause of more or less misunderstanding for some time. It is hoped an accord will be reached in the matter ere long.

According to the organ of the New Jersey Association of Underwriters, a committee consisting of two representatives each from the fire and casualty companies decided recently that the "explosion policy as issued by the fire companies and incorporated in the supplemental contract, would be interpreted literally on all classes of steam boilers, and the question of fire-pot explosion resulted in a decision to cover such hazard under the simple explosion policy, providing the hazard was not specifically assumed by endorsement on the steam boiler policy of the casualty company covering the pressure chamber of the boiler."

#### Further Stipulation

It was further offered that "any explosion caused by excessive generation of steam, whether by coal, gas or oil, would not be covered under the simple explosion policy, but an explosion, for instance, in the fire-pot caused by the accumulation of coal gas or an explosion in the fire-pot caused by some defect in an oil burner, would be covered under the simple explosion policy of the fire companies."

#### DIFFERENCES IN PRACTICES

Actual wording of the fire policy excludes loss or damage due to explosion in the boiler, but "boiler" is not clearly defined. Steam boiler companies, however, do not consider the fire-pot as being a part of the boiler. They do, however, issue optional coverage on loss or damage due to explosions in the fire-box, charging a premium. Fire companies, the boiler men point out, give away this coverage. There is, therefore, a tendency for assured not to buy the steam boiler companies' policies when they can get the coverage for nothing.

doubtedly has become a greater cause for automobile accidents and that is liquor. With the repeal of the 18th amendment it is less difficult now and less expensive to get intoxicating drinks. A number of companies that have gone into the subject thoroughly feel that accidents have increased materially since the saloon or drink emporium came into being. The officials say that people are drinking more freely and do not hesitate to get into a car and drive after they have partaken of intoxicants. Police officials, in making arrests, declare that the liquor factor has increased materially since the first of the year.

## Pennsylvania Commissioner Calls for Automobile Data

### TO STUDY RATE SITUATION

Owen Hunt Said to Believe Independent Rating Bureau Needed in State to Correct Conditions

PHILADELPHIA, Nov. 13.—All companies writing automobile insurance in Pennsylvania have been ordered by Commissioner O. B. Hunt to file a schedule of automobile rates with the department. The purpose is to enable him to analyze the automobile insurance situation, particularly in Philadelphia, and determine whether non-bureau companies are justified in quoting lower public liability and property damage rates.

He has long contended companies could not offer automobile coverage at cut-rates and make money, and to permit them to do so would be to ignore public interests. He is firm in the belief that a casualty rating bureau should be organized in Pennsylvania and all companies should conform to bureau rates unless they can prove experience justifies a lower rate. He does not want the state to run the bureau.

#### Commissioner's Viewpoint

"The insurance department," he said, "does not want to take over anything. It prefers that the insurance business make its own rates. And the department does not want to step in unless it is absolutely forced to do so."

It is believed the commissioner is confident that the study will offer sufficient data.

(CONTINUED ON LAST PAGE)

## Automobile Liability Rate Reduction Asked in Alabama

BIRMINGHAM, ALA., Nov. 13.—The Birmingham Association of Insurance Agents has joined the Alabama Automobile Association and other agents and assured in asking for a reduction in automobile liability insurance rates. The local board has appointed Godfrey Goldman, Anglin White, Herbert Levy and Ed Rosamond, Jr., to draft a request for a reduction to be presented to individual companies and the National Bureau of Casualty & Surety Underwriters.

The conference companies last March raised rates, the increase on a light car for a standard policy being from \$48 to \$65. As a result, cut-rate competition has materially increased. Since that time legislation has been passed which agents contend should make a substantial reduction possible. A drivers' license law has been enacted, a state highway patrol force created and above all a measure passed which outlaws damage suits by guest riders in an automobile. These measures, however, have not been in force sufficiently long to show much effect on the experiences of companies operating in the state.

Birmingham last year won ranking next to the top among other cities for its safety work and this is offered as one reason why rates should be reduced in the city, if not in the state as a whole.

## Advantages Given of Standard Form

Foundation for Uniform Court Decisions, Has Many Other Advantages

### FLEXIBLE ARRANGEMENT

Manager Spottke of National Casualty Bureau's Automobile Department Gives Exposition

NEW YORK, Nov. 13.—In an informative talk before members of the Casualty & Surety Club of Albany, A. E. Spottke, manager of the automobile department, National Bureau of Casualty & Surety Underwriters, after outlining conditions which led to an accord between stock and non-stock companies in preparation of a standard automobile liability policy, at least as to its provisions and their phrasing, recited the main reasons for such action.

In drafting the standard provisions, Mr. Spottke said, the desire was to employ language that would as clearly and concisely as possible define the nature of the indemnity. A further advantage of standardized provisions, he pointed out, was the advantage of getting uniform court decisions, which was impossible where there was variance between companies in intent or language of the clause.

#### Uniformity Is Desirable

Furthermore, Mr. Spottke said, the demand of state authorities and their legislatures is for standardized contracts, and the advantage of having uniform provisions determined by the underwriters instead of by various state departments is obvious. Uniformity of policy provisions, it was contended, would keep the question out of legislative halls.

He paid tribute to West Virginia for its ready acceptance of the uniform contract provisions form in substitution for the policy previously devised by it.

Mr. Spottke stressed flexibility of arrangement possible under the standard provisions agreement as distinguished from the rigidity of a standard policy, explaining in detail the insuring agreements, exclusions and conditions to be incorporated into the contracts—the issuance of which by member companies will be mandatory on and after Jan. 1, with conditions of policies now in general use.

#### May Affect Other Forms

Assuming the results attained under the standard provisions automobile contract come up to expectations, it will likely, Mr. Spottke said, lead to adoption of standardized provisions for other forms of casualty contracts and ultimately may result in "single standardized provisions for all types of liability coverage, with the precise nature of the coverage specified by endorsement."

## FIDELITY AND SURETY NEWS

### Bond Situation in Nebraska

**Special Legislative Committee Recommends That Bonds on Bank Receivers Be Written Locally**

LINCOLN, NEB., Nov. 13.—The special committee assigned by the legislature at its regular session to investigate the activities of the receivership division of the state banking department has filed a report in which it recommends, among other things, that all fidelity and surety bonds hereafter written for officials connected with the receivership of a failed state bank be placed through the local agent in the town where the failed bank is located. The committee investigated the accounts of 115 receiverships, more than a third of the total, and indicated that the premiums paid for the duration of all receiverships totaled \$100,000.

Prior to 1931, at which time E. A. Luikart, a Lincoln banker, was made head of the state banking department, all of this business was placed through the Nebraska Bankers Association, which received all of the benefits of the commission. Luikart discontinued the practice, and proceeded to distribute the business between 12 agencies named by Governor Bryan. One of these was headed by his son, G. A. Luikart, Lincoln.

#### Local Agents Favored

Nearly all of the business of the division was placed through the Omaha office of the National Surety, the committee says, the procedure followed relieving the agents of any activities in connection with the business.

J. C. Byrnes, Columbus, one of the 12 agents, testified that he had done some political work for the governor, and that the latter had told him he would see he got some of the bond business. When he saw Luikart he was told that all of the bonds had been written, and that they could not be disturbed. However, if the premiums were paid annually he would get some of the commissions. A month or two later he began to get checks. He said he assumed that it was all a complimentary gesture of the governor. Byrnes was found to have received approximately \$1,600 in four years and Gordon Luikart \$590.

#### Commissions' Conclusions

The commission says that this business can readily be handled without additional expense through local agents, removing all political taint. The Nebraska Association of Insurance Agents has protested, but in vain. Indications are the legislature now in special session will do something about it. The committee recommended that Luikart's control of the receivership division be removed and the whole business placed in the hands of B. N. Saunders, head of the state banking department. The governor and Saunders have demanded that Luikart turn over 239 receiverships he controls to Saunders, but he has refused on the ground that, being appointed by the courts, only the courts can remove him. The governor has asked the legislature for authority to take charge of them.

### Test Bank Failure Clause

LITTLE ROCK, ARK., Nov. 13.—Three additional suits in which the Fidelity & Deposit is a defendant as surety on the bond of O. D. Hatfield, former city treasurer, have been filed in the Chancery court here. Validity of a clause in the contract to exempt the company from liability for city funds lost in bank failures will be tested. The original suit has been transferred to the United States district court. Over \$75,000 is involved.

### L. I. Lofgren Goes to Chicago

**Detroit Surety Manager of the Aetna Casualty & Surety Succeeds the Late R. E. Cline**

Lowell I. Lofgren, superintendent of the Aetna Casualty & Surety fidelity and surety bond department at Detroit



LOWELL I. LOFGREN

has been appointed to a like position at the Chicago office, succeeding the late Richard E. Cline. He is a native of Minnesota. He attended Carleton College and Harvard Graduate School of Business Administration.

In July, 1922, he entered training as an Aetna Casualty special agent and in October of that year was assigned to the Kansas City office as an assistant underwriter. Just a year later he was transferred to the Wheeling office as a special agent. In November, 1925, Mr. Lofgren was appointed superintendent of the bond department of that office and in February of the following year was transferred to the Grand Rapids office in a similar capacity. In July, 1929, Mr. Lofgren assumed the duties of bond superintendent at Detroit. He is president of the Surety Association of Michigan and secretary of the Harvard Club of Michigan.

### New Field for Surety Bonds

**Bonds Required by Michigan Act Guaranteeing Payment of Gasoline Tax Believed Good Business**

DETROIT, Nov. 13.—The amendment to the 1927 Michigan gasoline distributors' act making the securing of bonds guaranteeing payment of the state gasoline tax mandatory becomes effective Jan. 1, 1936, and will open up a new field for the surety companies, the Surety Association of Michigan members were told at their November session.

Under the new set-up the writing of these bonds will be very good from an underwriting standpoint, the surety men believe, with the possibilities for loss held to a minimum. When the original law was passed in 1927 it was optional with the secretary of state whether a bond was supplied or not. Naturally enough, the only bonds demanded were those covering distributors whose payment of the tax might be questioned, hence the risk involved was considerable and the surety companies shied away from them.

It was pointed out to state officials that if the surety companies were to be expected to accept these risks they

would have to have the entire list in order to "sweeten" the probable loss ratio. The history of these tax payments since 1927 has been good, except in a few isolated cases which developed as a result of the depression, it was brought out.

Approximately 850 wholesalers and distributors of gasoline for use on the state highways are affected by the amendment, all of whom must furnish bonds before their licenses will be renewed the first of the year. The bonds will range from \$1,000 to \$25,000, depending upon the amount of the anticipated tax. Since monthly reports of gallonage sold must be submitted to the secretary of state's office, with payment monthly by the 20th of the following month, it will be safe to write this coverage for an amount up to two months' anticipated tax, it was brought out in the meeting.

### Rate Hearing Nov. 22

RICHMOND, VA., Nov. 13.—A further hearing on the petition of companies for a revision of rates on fidelity and forgery bonds in Virginia is set for Nov. 22.

## ASSOCIATIONS

### Seek Homogeneity in Work of Kansas City Association

H. P. Linn, vice-president of the Central Surety, who is president of the Greater Kansas City Casualty & Surety Underwriters Association, interprets a motion that was made to amend its by-laws to bring membership in line with national organizations. The by-laws of the Kansas City body require that notices be sent to each member before it is adopted and hence only preliminary steps have been taken. The organization is made up of both agents and companies. Company members are all affiliated with the Association of Casualty & Surety Executives. The motion made was to provide for some sort of working agreement locally that exists between the National Association of Casualty & Surety Agents and the Association of Casualty & Surety Executives.

### View Index Bureau's Value

At the San Antonio Claim Men's Association's November meeting the benefits of reporting to the index bureau on all claims, regardless of their character, were considered. L. W. Biser, of the United States Fidelity & Guaranty's home office talked on the advantages of a bureau. It gives adjusters a complete claim record of repeaters, faked claim perpetrators and any undesirable characteristics of claimants. Honest claimants finding money obtained easily are tempted to become repeaters and complete records provided through the index bureau enable the adjuster to check on liberal settlements in the past. An arbitration committee was appointed to settle differences between companies which may carry different types of coverage on the case involved.

### Cooperate on Prevention

The Cincinnati Casualty & Surety Association is cooperating with the city department of safety to prevent payroll holdups. A circular was sent out to business houses urging more care and precaution in handling payrolls. Wide awake, active persons should be used as messengers. Their character should be investigated. They should be instructed to make their trips to the bank at irregular times and vary their mode of travel to avoid spotting by crooks, the circular stated.

A. L. Robeson, who has been in the casualty business for 29 years, and recently as claim manager for the Motor Casualty, has been elected president of the Atlantic Casualty of Newark, N. J., succeeding Harry Green.

## Casualty Field Changes

### New Century Casualty Names Production Manager

Darrell O. Smith, formerly with the accident and health department of the Western & Southern Indemnity, has been appointed production manager of the New Century Casualty of Chicago at Columbus, O.

The New Century Casualty recently terminated its general agency contract with the Town & Village Insurance Service of Columbus, whereby the Town & Village managed the company for the states of Ohio, West Virginia and Pennsylvania. The New Century Casualty will now operate on a direct agency basis. It writes automobile and plate glass insurance.

Mr. Smith has been with the Western & Southern Indemnity two years and was formerly with the Town & Village in Columbus.

The Town & Village now has a contract with the Great Lakes Casualty.

### Schultz Goes Independent

DETROIT, Nov. 13.—Paul H. Schultz, for many years liability claims adjuster for the General Accident here, has resigned to establish an independent adjusting business. E. Noon, who has been with the claims department of the State Farm Mutual in Peoria, Ill., has been appointed by the General Accident to succeed Mr. Schultz.

### Lumbermens Moves Constable

BOSTON, Nov. 13.—The Lumbermens Mutual Casualty has transferred W. J. Constable from Boston to Philadelphia. Mr. Constable was formerly a member of the Massachusetts Automobile Rating Bureau, under the compulsory act, and went with the Lumbermens as resident secretary in 1930.

### Orint to Appleton

J. G. Orint, formerly in charge of the district sales department at Wausau, Wis., for the Employers Mutual Liability, has been transferred from the home office to the branch at Appleton, Wis., to assist in a general sales capacity in addition to his duties as sales correspondent.

The Illinois Bankers Life has completed the transfer of its accident and health department from the home office in Springfield of the Abraham Lincoln Life, which it reinsured to its home office at Monmouth, Ill.

## AUTO SAFETY

**Ohio**—Drunken and reckless drivers will be the hardest hit under the proposed new drivers' license law in Ohio. It will be easy to get a license under the proposed law; the difficulty will come in keeping it. An examination is to be required of each applicant for license, the fee being 25 cents for each license and renewal. The judge of any court of record is to have authority to suspend or revoke license of any person convicted of manslaughter resulting from automobile accident, perjury in applying for license, operating a motor vehicle under influence of liquor or drug, any crime punishable as a felony in commission of which an automobile is used, and failing to stop after an accident.

\* \* \*

**Michigan**—Adjusters for automobile carriers say they are beginning to notice apparent results of the state's comprehensive traffic safety campaign. While accidents have continued at a fairly alarming pace, with unusual emphasis placed by the press on fatalities, there has been a marked diminution of claims, it is said.



## Miscellaneous Liability Is Line with Great Possibility

LESS THAN 3% IS COVERED

**Supervisor Redding of Aetna Casualty  
Sales Course Addresses New York  
Insurance Society**

Casualty insurance has regained a great deal of the ground lost since the halcyon days of 1928-1929, figures for 1934 being only about 20 percent below the 1929 peak, and reports this year indicate the 1935 figures will be within 10 percent, Amos E. Redding, field supervisor of Aetna Casualty in charge of the home office sales course told the Insurance Society of New York at a meeting. He was especially optimistic about conditions and opportunities in liability insurance production. The lecture was one of the series of talks by guest speakers on the program of the brokers' qualification course.

There is much business ahead, he said, for producers who are in position to sell liability insurance creatively.

"The figures given are for all divisions of the casualty business. Some lines have not done quite so well and others have done better. Miscellaneous liability lines, including all liability business except automobile, Mr. Redding said, reached a total in 1934 which was 97 percent of the 1929 figures. "The momentum behind the production of this class of business leads us to believe that the total miscellaneous liability writings for 1935 will set a new all time high," Mr. Redding commented.

"It is significant to note that those forms of casualty insurance which show the greatest percentage of gain in sales are those forms which call for creative selling effort. Those forms of casualty insurance, however, which are more commonly known to the public, have not staged as rapid a come-back. It seems logical to deduce from these facts, therefore, that agents and brokers in increasing number recognize the specialized opportunities for creative selling and are devoting themselves more assiduously to those lines which seem to hold the greatest hope of reward in the form of increased volume.

### Legal Liability Uncertain

"The miscellaneous liability lines constitute a very important branch of the insurance business for they clearly demonstrate the fundamental principles upon which the entire insurance business is based. The matter of one's legal liability is particularly problematical—problematical both as to the uncertainty of the occurrence of a claim and as to the cost of settlement if such claim does arise. The alert, well informed insurance producer finds that in carrying this message of protection against unknown hazards to his clients he has the greatest possible opportunity to demonstrate his grasp of the business and his perception of the prospective assured's insurance needs."

Estimates based on a comprehensive survey of the entire field of opportunities for sale of miscellaneous liability lines leads to the inevitable conclusion, Mr. Redding said, that the possibilities for expansion are tremendous, apparently less than 3 percent of all such cases possible to write now being covered.

## Benesch Is Reappointed as Ohio Director of Commerce

A. A. Benesch of Cleveland has been reappointed state director of commerce for Ohio. The division of insurance is a part of this department. Mr. Benesch was appointed by Governor Davey in January, and retired July 1, without having entered upon his duties, because of illness, although he was carried on the state payroll for the entire period.

# CASUALTY COMMENT

The provision in the proposed Illinois insurance code whereby fire and marine companies can write casualty and surety lines and vice versa, provided a minimum capital of \$500,000 is paid in gives an indication of changing thought. The tendency now is toward a comprehensive policy and an all-risk cover provided by one company. English companies on the other side are permitted to write all forms of insurance provided they can qualify. In this country laws have been amended in most states so that an automobile specialty company can write full coverage.

While the charter rights of companies for the most part do not permit them to write other than their special class and there would be some difficulty probably in getting these changed especially where a legislative enactment is necessary, yet as time goes on public sentiment will favor one company writing all forms of insurance except life. Life, accident and health constitute personal insurance and a life company should be able to write that kind of indemnity.

In this country the line of demarcation has been sharply drawn and considerable feeling was aroused over burglary and theft being written in the all-risk cover by companies having marine powers. Where a company's charter permitted it to do more lines of business than specified under the law, some departments have refused to license such companies or have forced them to put up the deposit required on all classes, although there was no intention of writing same. However, the times have changed and undoubtedly in due season a company will be allowed to write all forms of insurance except life.

### CONSERVATIVENESS KEYNOTE

Well managed casualty and surety companies are going ahead in an orderly manner without branching out too much or attempting to take on too much territory. They are seasoning their own business and assimilating it carefully, being more selective than in the past but endeavoring to show some increase. They rely largely on their reputation and solidity to carry them along. They have increased and refined their agency service endeavoring to popularize themselves with local representatives. The executives of such companies have had a long line of contemporaries that fell by the wayside because they had too large a maw. No company has succeeded that has plunged and endeavored to build up a large business in a short time. Conservative companies do not feel that this is the time to do more than carefully watch one's step because no one knows what the future of investments will be. These companies are content to strengthen their foundations and build gradually.

### EDUCATIONAL PROGRAMS

Some agencies have endeavored to work out educational programs or establish schools, so to speak, where solicitors, brokers and members of the office staff can be converted into business getters. The Aetna Casualty maintains a home office school. It has been very successful. The Travelers has always had a school and well trained teachers. Other companies from time to time have done considerable of this home office training. Recently the United States Fidelity & Guaranty has done special work in some of its offices in conducting classes for its business getters, taking up systematically the various lines that it writes. The companies that have been especially successful find that a great deal depends on the person who is conducting the work and giving the instruction. A man may have a profound knowledge and be a thorough technician. At the same time he may not possess the ability to teach and to get his message over to others. The

successful schools have been those that have had efficient and sagacious teachers.

### TAKING OUTSIDE COMPANIES

It has gotten to be a custom that is almost universal with local agents who represent conference companies to take on an outsider in order to handle risks that the organization company will not take. In fact in some offices there may be three or four casualty companies. The question arises therefore with a conference company as to its attitude toward an office that represents these outside companies. An agent is confronted with some serious problems in handling his business. Some assured will not pay the manual rate in spite of all arguments. Then again a conference company may be quite selective in its risks and the agent may be able to pass some of those that it turns down to an outside company that cannot afford to be so exacting. Each company has its peculiar quirks and an agent handles all kinds of risks and all sorts of assured.

### Comment by Agency Executive

The head of an agency department of one of the companies belonging to the bureau commented on this situation saying, "It is very difficult for a conference company to shut down entirely on its agents representing outsiders. We realize that due to the conditions of the day an agent may not be able to handle all his offerings in our company. We try to be as liberal as possible as an agent has to deal with assured of pronounced opinions. So far as adopting a hard and fast rule in these cases we feel it is a mistake. We watch each agent separately. If an agent uses an outside company for business that we will not take and if we do not accept it, it passes out his door, we have no objection to him representing a company that will insure all or some of these risks.

### Uphold Agency Reputation

"Some agents decline to represent any but standard companies on the ground that if something happens their assured will always have faith in the judgment of his insurance counsellor. They feel that it is far more important to maintain a high standard and not sacrifice agency reputation at any cost. If we discover in some of our offices agents are slipping desirable business to outsiders that we would take and our interests are therefore being harmed then naturally we draw the line and raise the issue. Then it is a matter between the company and the agent to decide what shall be done."

### Tests for Intoxication

Urinalysis is the only infallible means of determining whether or not a person is intoxicated, according to a statement by Dr. H. A. Heise before the National Safety Congress in Louisville. When the body fluid of anyone contains .10 of 1 percent or more alcohol, he may be termed intoxicated. This test is designed to determine the condition of drivers thought to be under the influence of alcohol. Anyone can take a urine specimen and preserve it for a physician's analysis by adding benzoic acid. Physical tests, such as walking a chalk line, maintaining the equilibrium while blindfolded and touching the tip of the nose with the eyes closed often fail to show the true condition of one who is unfit to drive.

### New Special Risk Department

H. E. Fach, superintendent of underwriting of the Great Lakes Casualty of Detroit, announces that the company has established a special risk liability department for the underwriting of unusual and rare forms of public liability coverages. A few of the classes named

## New Schedules for Court Bonds Are Promulgated

COLLATERAL IS DEFINED

**Revision Also Made in Fiduciary Bond  
Scale Effective Immediately;  
Rules Modified**

Court and fiduciary bond rates and rules have been revised effective immediately on all new bonds and renewals. Rates on undertakings on appeal, supersedeas, stay of execution, discharge attachment, discharge injunction, discharge mechanics lien, release of garnishment and refunding bonds, with or without collateral, where annual premium computed at manual rates exceeds \$100 and collateral is deposited, are subject to reduction of 50 percent, provided minimum premium shall not be less than \$100.

Collateral is defined as current funds of the United States immediately available to the surety company (excluding time certificates of deposit), U. S. government bonds, treasury notes or other U. S. government obligations, to full amount of surety's liability. If cash collateral is provided, it may be converted into securities as defined, or, if securities are deposited, these may be converted into cash.

### New Schedule of Charges

Rates for fixed penalty court bonds, annual premium \$100 or less, are: Appeal (all courts) supersedeas or stay of execution—if judgment is for sum of money, 2 percent on amount of judgment, with annual minimum premium \$10; if judgment is for other than sum of money (costs excepted)—2 percent on penalty of bond, minimum \$10. Discharge attachment, discharge injunction, discharge mechanics liens and release of garnishment—2 percent annually, minimum \$10. Refunding bonds given by insurance companies or public service corporation guaranteeing refunding to assured's customers, consumers, passengers, etc., of any sums paid in excess of rates or charges eventually established as lawful—1 percent annually on penalty of bond, minimum \$10.

Open penalty bonds: Appeal—2 percent of judgment annually; discharge attachment, discharge mechanics liens and release of garnishment—4 percent on amount of controversy, annual minimum \$10.

The manual rule relating to fiduciary court bonds is changed so that instead of the second year or renewal rate being 80 percent of the first year rate, all renewals are at the same as the first year rate. This change also is made applicable to guardians and others fiduciaries in California who qualify to preserve and invest the estate.

### Frank Post Seriously Ill

Frank A. Post, senior associate editor of THE NATIONAL UNDERWRITER and editor of the "Accident & Health Review," is in Passavant hospital, Chicago, preparing for a major operation some time this week. Mr. Post has had stomach complaint and the doctors found that he had had an ulcer which had healed, the scar interrupting the outflow of the contents of the stomach. Mr. Post started his career with THE NATIONAL UNDERWRITER in 1918 and since that time has acted as desk news editor. He is especially well versed on the activities of health and accident insurance people, attending all the conventions of the organizations devoted to that particular field. Prior to going with THE NATIONAL UNDERWRITER he was a reporter for the Chicago "Daily News."

are: Fairs, festivals, parades, homecoming celebrations, picnics, conventions, trade shows, expositions, athletic events, pyrotechnic display, products, property management and trust companies.

## New Motor Carrier Act Viewed by New Yorker

Many significant points of interest to insurance companies and producers arising from passage Aug. 9 of the federal motor carrier act and its inclusion as Part II of the Interstate Commerce act, are brought out by William M. Mortimer, head of Wm. M. Mortimer & Co. of New York City, in an analysis of operation of the new law.

As policies to motor carriers heretofore have been issued they generally limited coverage to named perils. The new act, Mr. Mortimer says, contemplates that motor carriers shall assume the responsibility of common carriers. Thus, he said, "it would seem that insurance companies willing to write this business will be obliged to issue policies to cover the carrier's legal liability, without the many exceptions now appearing."

"Of primary importance to the insurer is the type of bill of lading to be adopted. We probably will find the motor carriers to be in disagreement. Some who consider themselves railroad competitors will sponsor a document which holds

the carrier fully liable. Others, now using a shipping receipt containing a limitation of liability, will insist they compete only with the Railway Express Agency which, of course, is permitted such limitation.

"The act states that no certificate will be issued to a carrier unless it complies with the commissioner's regulations with respect to the filing of surety bonds, policies of insurance or satisfactorily qualifies as a self-insurer. The conditions of approved coverage and amount of insurance to be required are discretionary with the commission."

Mr. Mortimer said inland marine underwriters and others have been wondering what the effect of the act would be on present practices. The ultimate results, he said, quite likely will be far-reaching. Transportation insurers might well give early consideration to certain potentialities and formulate a policy of dealing with the indemnification features of the act.

The only reference to liability to be

assumed appears in Section 219, under the heading "Receipts or Bills of Lading," stating that provisions of section 29, Part I, shall apply with like force and effect to receipts or bills of lading of common carriers by motor vehicle. That section states that carriers must issue receipts and be liable for the full actual loss, damage, or injury to property, but the commission may in its discretion authorize carriers to establish rates dependent on value declared in writing by the shipper.

### Sees Loss of Premiums

"Here is something to which insurers should give early consideration as the ultimate result may have far-reaching influence on their business," Mr. Mortimer comments. "Let us assume that the commission requires the motor carriers to accept full liability and indemnification thereof satisfactory to the commission is underwritten by the American insurance companies. What then is going to happen to the very substantial premium income now received from the shipping public?"

"Insurers can quickly recall the business lost when they were recently in the habit of issuing certificates of insurance to certain customers of the motor carriers. That practice was wisely terminated. It requires no imagination to see that many assured now carrying

transit policies will think they see no need for paying a premium for their own insurance protection when they are already paying one included in the carrier's freight rate. It necessarily follows that there will be a considerable shrinkage of income from a source of potential profit."

The loss of this income can never be adequately compensated by increased income from motor carrier legal liability coverage. The present and past insurers of motor carriers have had a most unsatisfactory experience. By good fortune, or unusually astute underwriting, a few with limited writings have been successful. Granted that higher rates and better physical and moral hazards ensue, these conditions cannot compensate for the tremendous potential loss of other revenue.

"The natural conclusion is that it is to the interest of insurers that the motor carriers be permitted to operate under limited liability bills of lading on certain commodities. To what extent insurers might influence the Interstate Commerce Commission on this point is problematical but their viewpoint will certainly be considered if it is made known."

He said there is no uniformity of contract, but this will be corrected. Carriers now principally engaged in hauling valuable merchandise and packaged goods usually tender contracts limiting liability to something less than that assumed by the Railway Express Agency, and rarely assume complete responsibility. Other motor transporters, particularly on long haul movements of bulk goods, generally have assumed full liability, which is necessary because they are direct competitors of the railroads, which with few exceptions accept such responsibility.

### Insurance Cost Less

Much short haul freight has been lost by express companies to motor carriers, where at one time it moved via express service under a contract with agreed valuation. Shippers learned it was economical to value at \$50 per shipment and protect excess value by a transportation policy. The express company would assume the entire loss if the true value was declared and the shipper paid it 10 cents per \$100 in addition to the charge for transportation for this added responsibility. Insurance companies offer indemnification for less. Motor carriers handling this type of business adopted similar arrangements.

"In the light of past experience, it is extremely doubtful that insurers can, or will undertake to indemnify motor carriers with large load limits on such commodities as raw and manufactured silks, rayons, tobacco, cigarettes, certain drugs and chemicals, woolen goods, skins, furs, garments trimmed with furs, silver bars and products, and numerous other raw and manufactured goods, which require greater protection than is practicable in motor transportation." Unquestionably insurers should be adequately compensated for risks inherent in such merchandise, which should be segregated from other less valued goods.

### Makes Suggestions

It would seem, he says, that the proper way to dispose of this situation is by amendment of the rail classification, which fixes the class rate on every article hauled by railroads. It now recognizes hazards of transportation on certain types of raw and finished goods and permits rail carriers to offer choices of rates dependent on value declared. The Interstate Commerce Commission probably will extend, alter or amend this classification so that it may be made applicable to motor carriers. A committee of insurers probably will meet later with the commission's representatives to discuss these problems.

"Where an insurer is contemplating the assumption of the legal liability of a carrier he must henceforth give consideration to a factor that has not heretofore concerned him. The motor carrier policy has not been standard. The many insurers have varying clauses re-

(CONTINUED ON PAGE 38)

## BANKERS INDEMNITY INSURANCE COMPANY

Newark, New Jersey

*Casualty Affiliate of The American Group*



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**Efficient Service to Agents**



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**"It pays to be an Ætna-izer"**

## ACCIDENT AND HEALTH FIELD

### Permanent Disability Terms

#### Indiana Appellate Court Gives Liberal Construction of the Provision Used in Insurance

The Indiana appellate court decides that the term "permanent disability" in insurance contracts contemplates a disability which "probably" will remain for life. It thus affirms the decision of the Vanderburgh circuit court which gave judgment of \$350 against the Prudential to the Citizens Trust & Savings Bank of Evansville, guardian of R. E. Nichols, an incompetent.

Mr. Nichols was found insane in 1932, committed to a veterans' hospital and remained there until the trial. The insurance company based its contention that his disability was not permanent on the grounds that three physicians testified he "might" regain sanity and on the fact that none of them testified he "never" would recover it.

The appellate court held, however,

that the word "permanent" does not always embrace the idea of absolute perpetuity and that disability properly was established in the Nichols judgment.

### Non-cancellable Rule Issued

#### Commissioner Hunt of Pennsylvania Gives an Order That Will Be Enforced Jan. 1

Commissioner Hunt of Pennsylvania has issued an order that after Jan. 1, no accident and health policy will be permitted to be issued in the state which is captioned "non-cancellable" or which contains a clause pertaining to non-cancellability, unless that policy is not only non-cancellable but also automatically renewable until at least age 50. Commissioner Hunt says:

"Some companies are issuing policies which are called non-cancellable and which technically are such, since the companies do not reserve the right to

cancel during the period of the policy. These companies could, however, refuse to renew those contracts and, consequently, such policies are subject to misrepresentation to the insureds because of the fact that a non-cancellable accident and health policy has come to be known to the insuring public as that type of policy which is not only non-cancellable, but which is also automatically renewable.

"Therefore, to prevent misrepresentation of this type of insurance in the future, this department will not consider for approval, after Jan. 1, 1936, any such fictitious non-cancellable policies, and any such policies which have previously received the approval of this department, for issuance in Pennsylvania, will become automatically disapproved as of that date and issuance of those policies thereafter will place any violating person or company subject to the penalties prescribed in Section 354 of the insurance company law of 1921, P. L. 682."

### Lecture Series Will Be Held

NEW YORK, Nov. 13.—Under the sponsorship of the New York Accident & Health Educational Committee, the first of a series of four lectures on different phases of the business will be

held here Nov. 18. The initial address, general in character, will be made by Edson S. Lott, president United States Casualty, who will be introduced by Leslie Winslow, general chairman. Following Mr. Lott, E. H. O'Connor, chairman governing committee, Bureau of Personal Accident & Health Underwriters, will discuss "Policy Forms."

Admission will be free to all agents and brokers. The committee on arrangements includes: L. L. Winslow, Fireman's Fund Indemnity, chairman; H. M. George, United States Fidelity & Guaranty, vice-chairman; J. L. Scheuing, New Amsterdam Casualty, treasurer; P. W. Cook, Connecticut General Life; P. H. Schreyer, Glens Falls Indemnity; W. T. Hammer, Commercial Casualty, secretary; F. G. Burgoyne, Maryland Casualty; W. L. Kick, Century Indemnity, and J. L. Ullman, Perrin & Son.

### Detroit Accident & Health Managers Program Is Given

DETROIT, Nov. 13.—President R. H. MacKinnon of the Accident & Health Managers Club has announced the programs for the balance of the year, each meeting to be devoted to one problem. The intent and extent of liability under the insurance clause in the various types of policies was discussed by Howard Farrell, insurance attorney, at the November meeting. Unfair competition will be handled by Ralph Wade, comptroller of the Michigan Mutual Liability and former deputy insurance commissioner, at the December session.

In January the agent's responsibility to the insured and to the company in the handling of claims will be discussed and in February the agent's responsibility in underwriting accident and health insurance will be taken up. The March topic is how to prospect and make sales. The sales congress and accident and health week activities will replace the April meeting. In May the topic will be "Do the Standard Provisions Give More Protection to the Insured or to the Company?" Accident and health insurance selling as a lifetime career will be considered in June.

### Ohio Requires Exams for Newspaper Cover Employees

Newspaper employees assigned to handle insurance taken out by subscribers will have to undergo an examination by the Ohio insurance department, the department announced. Employees thus engaged before the examination law went into effect some weeks ago will not have to take the examination. The Columbus "Dispatch" is the only newspaper in the state having an insurance department of its own, all others placing through some insurance company.

### Handwriting Expert Scheduled

Wilbur F. Turner of Boston, expert on handwriting, addressed the meeting of the Boston Life & Accident Claim Association.

### New Cincinnati Manager

N. E. Redmond is the new division manager at Cincinnati for the Mutual Benefit Health & Accident and the United Benefit Life. He succeeds C. W. Walter, who has gone to Rochester.

### Stiller Made Secretary

BOSTON, Nov. 13.—Commissioner F. J. DeCelles has appointed C. M. Stiller secretary of the compulsory automobile liability insurance board of appeals, to succeed G. C. Hoyt, who has served in that office some years. Mr. Stiller was for six years a member of the industrial accident board.

"Contractual Liability" was discussed by B. K. Campbell of the National Bureau of Casualty & Surety Underwriters before the Portland Insurance Men's Breakfast Club.

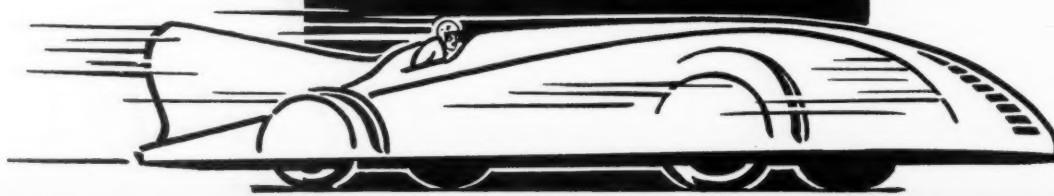
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COMMODITY prices and replacement values have gone up sharply. This means that many carrying burglary insurance are actually under-insured. Check back on the burglary policies which you have written and you'll find plenty of opportunities to sell increased coverage based on today's higher replacement values.

A new kit of burglary sales tools, just issued to U. S. F. & G. agents, equips them to go after burglary business as they have never gone after it before. These same tools are available to any agent who is interested in a company which endeavors to help its agents make the most of opportunities.

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*Home Offices: BALTIMORE*



Originators of the Slogan

*"Consult Your Agent or Broker as You Would Your Doctor or Lawyer"*

## NEW MOTOR CARRIER ACT VIEWED

(CONTINUED FROM PAGE 34)

sulting in frequent conflicts when the right of subrogation is exercised. One company will at present issue a policy to an assured and extend the coverage to hired carriers which may carry similar insurance.

### Condition May Be Ended

"Where the first named assured picks up and receipts for the property and subsequently turns the load over to a hired carrier, it is natural that the shipper will look to the first carrier to make good any loss sustained by the hired one. Inevitably the first insurer is called upon to make good. Upon seeking redress from the carrier causing the loss he is usually met with an assertion of non-liability made by the secondary insurer, or the latter points to varying clauses in his policy which he believes offer adequate defense.

"It is highly doubtful that the commission will permit such conditions in future policies. Where a through route is established, employing several connecting carriers, the act now makes either the originating or delivering carrier the agent for all. The shipper may

sue the former or the consignee may litigate with the latter. It would thus seem that as carriers concur in each others' tariffs, so insurers will be obliged to recognize the rights of subrogation of the insurer primarily liable.

"Uniformity of amounts of insurance and conditions seems necessary. Perhaps the underwriters should have an understanding with the commission that if an intermediate carrier has caused the loss, the insurer thereof should pay the claimant and in case it is necessary for the insurer of the originating or delivering carrier to defend an action where liability has been denied by the intermediate carrier or his insurer, the cost of that defense would be borne by the latter."

### Rate Structure Important

The most pressing and perplexing problem is formation of a satisfactory rate structure, Mr. Mortimer says. The American Trucking Association has appointed committees in each state which are considering numerous questions. One group urges the official rail classification as a rate basis, another insists on a separate truck classification without

regard to rail rates. Traffic representatives of shippers have been unable to reconcile their opinion. The Chicago Association of Commerce proposes to classify freight by three general groups, with an agreed maximum valuation of \$1 a pound where no special notation is made on the bill of lading, on articles valued at more than \$5 a pound, a higher charge be made.

"When the President signed this act he also placed his signature to the death warrant of a large percentage of truck carriers," Mr. Mortimer comments, "and that applies to the three branches, common, contract and private; and also the motor carrier broker. Thousands of the first named carriers were never justified in engaging in the business, either because of impecuniosity or competitive conditions. They will be unable to meet the requirements of regulation. It is difficult to see how many of the long distance truckers can survive. Their present rates are comparable to rail freight costs. Regulation is bound materially to increase their operating costs.

### Expects Long Haul Change

"The act provides that the commission may establish reasonable requirements with respect to continuous and adequate service, uniform systems of accounts, qualifications and maximum hours of service of employees, and safety

of operation and equipment. Tariffs must be published, and the carriers must of course afford proper financial protection to the public. We foresee that labor will directly demand shorter working hours and minimum rates of pay more nearly in line with those enjoyed by rail employees. Long haul motor carriers will not be able to increase rates sufficiently to compensate for these additional costs and retain the business previously enticed from the railroads. The long distance movements belong to the rail carriers and they are bound to get much of it back.

"The contract carrier's position will be more difficult than heretofore. It is the declared policy of Congress that all motor carriers shall be regulated so there may be no unjust discriminations, undue preferences or advantages, nor unfair or destructive competitive practices. Much of this business ultimately will go to the rail or motor common carriers.

### Private Carrier's Situation

"The private carrier's situation will not be fraught with the same difficulties. There is to be prescribed for him qualifications and maximum hours of service of employees, and standards of equipment. These regulations may not seriously embarrass him in hauling his own products, but they may influence certain bailees (such as silk dyers and finishers) to the point where they find it too costly to continue the operation of their own vehicles. This business will probably go to the motor common carrier."

Many single truck owner-operated carriers will not survive, Mr. Mortimer predicts. It is probable that the sound motor carriers will establish joint terminals in large centers and employ solicitors to obtain business heretofore secured by the motor broker. Large truckers will have arrangements for interchange of freight and their salesmen will be able to offer transportation service and quote rates to any section of the country.

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Continental  
CASUALTY COMPANY  
CHICAGO, ILLINOIS

## REJECTED RISKS

Off the Record  
Tips to Lay Speakers  
Why Editors Go Mad

Leave standing for the use of laymen who are put on insurance programs:

1. All I know about the insurance business is that paying the premium keeps me broke.
2. I am delighted, at last, to have the opportunity to talk to an insurance man. I have been visited by many in my life but I have never had that opportunity before.

When F. D. Roosevelt took office his frank and genial press conferences were given much publicity by appreciative newspaper men, who were given background material in "off the record" discussions. Insurance men were quick to adopt the expression and N. U. news gatherers are continually hearing—"Of course, this is off the record."

Question: What is "boondoggling?" How is it applied to insurance?

Answer: "Boondoggling" is a word coined to apply to so-called relief workers that are placed on nonessential work just to keep them busy. Its application to insurance might be seen in unnecessary investigation and examination of insurance companies.

Super irritant to the editor, "Please be sure and run the enclosed article just as we have written it."

While attending a garden party a Maryland field man was strolling through a garden with his host when they came upon a sun dial. "What's that?" the insurance man asked in a puzzled manner. "That's a sun dial to tell the time by," his host answered. The field man shook his head. "They're always thinking up something new, aren't they?"



# THE COST

20 YEARS AGO C. N. F.  
KILLED A MAN WITH HIS CAR  
AND QUIT DRIVING

BUT STILL SEES THE PROSTRATE  
VICTIM—CAN'T ERASE THE  
IMPRESSION

THE ACCIDENT COST:  
ONE MAN'S LIFE AND  
ANOTHER'S PEACE OF MIND—

FOREVER—WHICH IS A  
LONG TIME!

(36,000 LAST YEAR.)

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REINSURANCE  
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E. G. TRIMBLE, President

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# FIDELITY AND DEPOSIT COMPANY OF MARYLAND BALTIMORE

## Points to Remember about the F&D

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Recognized as the country's leading  
bonding company

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Financial strength and leadership that  
command complete confidence

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Country-wide prestige built up over a  
period of 45 years

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Unchallenged reputation for prompt  
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Personal attention and authoritative  
counsel promptly available to all repre-  
sentatives through a nation-wide system  
of underwriting offices

*Exclusively*

## FIDELITY AND SURETY BONDS BURGLARY, FORGERY AND PLATE GLASS INSURANCE

## WORKMEN'S COMPENSATION

### New Compensation Schedule

Estimate Revised Rates Filed with Mis-  
souri Department Will Reduce  
Premiums \$52,000 Per Year

JEFFERSON CITY, MO., Nov. 13.—The National Council on Workmen's Compensation has filed with the Missouri department revised schedules of rates on workmen's compensation insurance to take effect on Jan. 1, 1936. The new schedules carry an average reduction of 1.3 percent.

Superintendent O'Malley reports that a public hearing will be held here on the schedules Nov. 21. Experts of the insurance department estimate that the new rates will save the insurance buyers of the state approximately \$52,000 per year. The companies' reports on their 1934 compensation business in Missouri are not yet complete, but it is estimated that the premiums collected were \$4,000,000.

The new schedules apply to some 525 classifications of risks. There are some increases, but in the majority of classifications, there is a cut. The schedules are divided into three major groups. The so-called contracting group would be increased an average of 8.3 percent. In the manufacturing group there is an average reduction of seven-tenths of one percent while in the third group classified as "all others" there is to be an average reduction in rates of 6.7 percent.

### New York Brokers to Discuss Amendments to State Laws

NEW YORK, Nov. 13.—All employers organizations and representatives of trade and civic associations have been asked by a joint committee representing all of the insurance brokers' associations of greater New York to attend a meeting at the Hotel Astor on Nov. 21. Its purpose will be to point out to labor employers the serious effects the occupational amendment to the workmen's compensation law enacted at the latest session of the New York legislature and of the medical practices amendment to the same act will have upon their business.

Many company executives have promised to be present. Brokers have been urged to bring their clients with them.

The insurance buyers' group which has been particularly active in connection with the medical practices features of the law, will be represented by their committee of which T. P. Bradshaw, General Cable Corp., is chairman.

L. A. Wallace, Johnson & Higgins, is chairman of the joint committee. H. W. Schaefer, H. W. Schaefer Co., who is vice-chairman, however, has assumed responsibility for the meeting and will be in charge of arrangements.

### New Compensation Digest

NEW YORK, Nov. 13.—A new edition of the Digest of Workmen's Compensation Laws of the United States, with annotations carefully revised to Nov. 1, has been completed by the Association of Casualty & Surety Executives and will be ready for delivery Dec. 1. The work, compiled and edited by F. Robertson Jones, general manager, covers completely the statutes governing workmen's compensation, including such amendments or supplements to former laws as have been adopted within the past 24 months.

### New Jersey Changes

NEWARK, Nov. 13.—The Compensation Rating & Inspection Bureau of New Jersey has announced a number of amendments to workmen's compensation rules, classifications and rates.

### National Council Meets Soon

Committees to Be Elected at Annual  
Gathering in New York Dec. 5,  
Various Matters Discussed

NEW YORK, Nov. 13.—Agenda of the annual meeting of the National Council on Compensation Insurance, to be held here Dec. 5, calls for the general manager's annual report, election of committees and discussion of various matters. Representatives of the carriers on the board of appeals, four members of the governing committee and all members of the rates committee are required by the constitution to be elected annually.

Present member representatives of the carriers on the board of appeals are: W. J. McCaffrey, Royal Indemnity, and J. L. Train, Utica Mutual. Members of the governing committee whose terms expire this year are: Lumbermen's Mutual Casualty, Michigan Mutual Liability, Maryland Casualty and Ocean Accident.

Following adjournment the rates committee will meet and elect members of the actuarial, engineering, manual, reference and regional committees.

### Hearing on Compensation Rates

J. S. Adams of the Adams McCullough general agency of Oklahoma City, is appointed by the governor advisor to the Oklahoma Insurance Board in regard to the workmen's compensation rate hearing, Dec. 3. At the hearing the board will give consideration to the matter of raising the rates in Oklahoma approximately 57 percent, as requested by the companies.

The board has set Dec. 2 for hearing on the matter of compensation rates for newsboys. The Ponca City Publishing Company claims the boys are not employees but individual merchants out on their own hook. The Oklahoma Compensation Rating Bureau maintains that they are employees and should come under the same ruling as other employees.

### Florida Scale Approved

Rates for workmen's compensation insurance in Florida filed by the National Council on Compensation Insurance, have been approved by State Treasurer W. V. Knott, with certain exceptions. The rates are retroactive to July 1.

### California Hearing Scheduled

A hearing on proposed changes in compensation insurance rates in California has been called by Commissioner Carpenter, Nov. 15, classifications mentioned in the schedule of changes apparently being those subject to the hazards of silicosis.

### Approved Protective Devices

Casualty companies are finding valuable in their underwriting work the Underwriters' Laboratories recently combined lists of inspected accident hazard, automotive and burglary protection appliances. This pamphlet which now combines under one cover three Underwriters' Laboratories' lists of inspected appliances heretofore published separately, contains 106 subject classifications under which approximately 275 manufacturers' products are listed. These devices, materials and systems, after test at the laboratories have been found to comply with the various standards applying, which standards the casualty companies have a voice in formulating.

Any of these lists may be obtained gratis by writing to Underwriters' Laboratories, 207 East Ohio street, Chicago.

T. R. Harrigan, Columbian National Life's home office, will become manager of the Howard A. Shearer agency's accident department.



## Would Stop the Missouri Grab

A branch manager in Kansas for one of the casualty companies, who is concerned over the program of lawyers in Missouri seeking to bottle up any activity with a legal touch, writes as follows:

Much credit is due the copyreader of THE NATIONAL UNDERWRITER, who headed the article in the Oct. 25 issue on the Missouri legal situation, "Missouri Grab." A grab it is, and if such ideas prevail all insurance agents may soon be running hamburger joints or pop corn wagons.

Mr. Clark of the Missouri bar is reported to have said that there is \$2,000,000 worth of so-called law business going outside of his so-called profession, that they were going after this by clamping down on adjusters, various business and trade associations, real estate agents, banks and trust companies. It is further reported that he said the lawyers were doing this for much the same reasons that prompt an owner of property to recover it from one who has wrongfully taken it from him.

Mr. Clark is going a long way when he compares property rights with the natural and constitutional right of competition, with the right of the companies to hire such men as they feel are qualified, or the right of the insured, or even an uninsured person, to have some one not a lawyer look after his interests.

It may be that the real reason for all this effort of the lawyers, is to serve the public, but we think not. We quote Judge Pullen of California, who said: "One barrier to reform is the large

number of unethical lawyers in the legislature who sidetrack any legislation that would hit a lawyer's pocketbook."

Let us read again the recent statement of Homer S. Cummings, attorney general of the United States: "The field (of attorneys) should be one of high-potentialities. However, this field today is overcrowded and rank with im-

perfections. Many persons who have been admitted to practice are neither mentally or morally fitted to their task."

There, we think, can be found the reason for the "Missouri Grab." There are too many so-called lawyers and times are hard.

It is only a short step from the position that an adjuster must be a lawyer, to the equally silly thought that certain legal contracts, which we call insurance policies, cannot be explained, sold or countersigned, except by a lawyer. Then it will be all over with

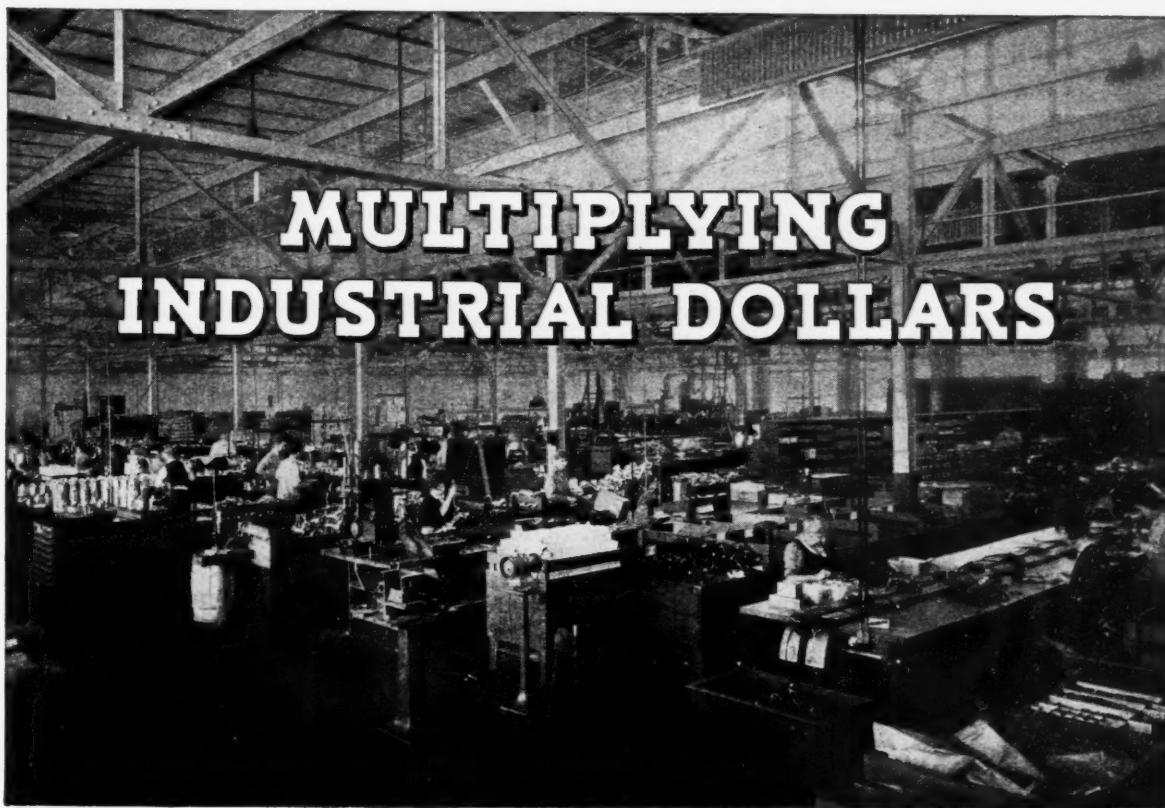
the American agency system and the local agent.

This movement can be stopped, however, if we all get sufficiently aroused.

Mrs. R. D. Warner, wife of the president of the Warner Insurance Agency of Fargo, died Monday in the Rest hospital in Minneapolis after an illness of five years.

Two Detroit agencies have been incorporated: The Marshall-Liles Company, by W. B. Marshall, M. E. Liles and B. B. Liles, and Oakman & Baylis by H. N. Baylis and C. G. Oakman.

## MULTIPLYING INDUSTRIAL DOLLARS



**N**EW profits piled up—substantial savings effected—when Maryland engineers dig into the problems of industrial clients. . . .

- ✓ Fear of injury dispelled among 2600 punch press operators in one plant—accidents reduced 66-2/3%—production increased as high as 85%.
- ✓ Drivers of large commercial fleets shown how to cut repair bills 75%—reduce accidents 50%.
- ✓ Department store worried for months about accidents in aisle. Maryland recommendations for removal of "distraction" completely eliminated falls.

The research and practical advice of Maryland safety engineers has a dollar-value both to the agent who has industrial prospects and to the manufacturer who is a policyholder.

**MARYLAND**  
*Casualty*  
**COMPANY**  
*Baltimore*  
SILLIMAN EVANS  
President

## PERSONALS

Cliff C. Jones, R. B. Jones & Sons, and vice-president of the Kansas City Fire & Marine, has resigned as president of the Liability Protective Association. Vincent Wakefield is executive vice-president.

Edward J. Bond, Jr., senior vice-president Maryland Casualty, is visiting in Texas. He was the honor guest at a luncheon at Houston tendered by T. J. Larsen of S. E. Larsen & Company, general agents Maryland Casualty.

An anniversary month drive in honor of Manager R. E. Baker of the Preferred Accident in Chicago will start Nov. 18. Brokers are being asked to write at least one application for an identifying personal accident policy to commemorate Mr. Baker's third anniversary as Chicago manager. Fred C. Bracken, a Chicago broker, is in charge of the drive.

The Central Mutual of Chicago held open house last Monday afternoon in its head office in the Bankers building, it being its 10th anniversary and also the birthday anniversary of President Harold Schlensky. There were large bouquets of flowers banking the entrance and a large birthday cake appeared on the big table. The guests were chiefly business producers in the Chicago district. Assisting President Schlensky in entertaining were Superintendent of Agents Frank M. Chandler and Leonard Polk, head of the claim department, who is the company's oldest employee.

Rolfe B. Stanley, special agent at Cincinnati for the Hartford Steam Boiler, was killed Monday when his car collided with a street car. Mr. Stanley, who was 30 years old, had been connected with the company five years in Baltimore, leaving to go with an oil company for three years. He returned to the company in Cincinnati early in 1934.

## Thoughts Outlined on Contingent Fee

(CONTINUED FROM PAGE 3)

should be the same for all companies in an agency and on basis of premiums written. The formula calls for company expense at 17 percent. The 10-year average was 21.08 percent (17.21 percent exclusive of taxes). The report says company expense can and should be reduced. With the agents charged with a keenly interested underwriting responsibility it should be possible to materially reduce special agency and traveling expenses. Waste in various forms can be eliminated.

4. The commonly accepted principle that loss experience be figured on the

basis of premiums earned and losses incurred is adopted.

5. Brokerage business sent to the agent by the company should be eliminated from the experience figures. This would not apply to brokerage accepted by the agent from some other agent or broker and not from the company.

### Judge Agency as Whole

6. The contingent commissions actually paid to the agent should be based on the entire agency experience. Possibly this is the greatest novelty of all. It is declared that if based on each individual company the contingent commission system will fall of its own weight. Agents are human beings. Regardless of how fair minded an agent may try to be, unconsciously or subconsciously companies with the most

favorable experience during the early part of the year would be favored during the remainder of the year as compared with a company or companies which had sustained an unfavorable experience, it is asserted. By basing the contingent on the agency as a whole all companies regardless of early year experience are placed and remain on that equality which is paramount and necessary to the success of such a system.

Examples are worked out and attached to the report. In an agency representing three companies and doing \$100,000 of premiums, the summary shows profit of \$23,000 to company A, \$26,200 to company B and a loss of \$1,200 to company C, making the net profit of the agency \$48,000. The agency receives 20 percent of \$48,000, or \$9,600, in addition to the \$15,000 direct commission. Company A pays to the agency's contingent auditor or trustee \$4,600, company B pays \$5,240 and the auditor disburses to company C \$240.

## Solicitor Issue Nearing Solution

(CONTINUED FROM PAGE 3)

non-Board competition will be largely responsible.

A further meeting to discuss the subject will be held this week-end. Meanwhile, the agents' association sent letters to all of its members asking them to sound out their companies on the proposed amendment. Should the agents and companies get together on this point, it will be a marked victory for the contention of the companies that agreements can be effected by peaceful round-table conferences.

## Missouri Fire Rate Cut of 10 Percent Is Announced

(CONTINUED FROM PAGE 3)

Folonia said. Fire companies and R. E. O'Malley, insurance superintendent, have agreed to this, and it awaits only court approval to become effective.

Companies would like to make the return to policyholders, rather than to have the amount impounded and go through court procedure, because it gives agents an additional opportunity to contact assured.

Larger agencies here are canceling policies and rewriting for the period named in the original policy, on the new rate basis.

Agencies will worry about what to do with policies in effect between May 1 and Nov. 11, this year, when the court approves or disapproves the request of company attorneys to make the rate schedule retroactive to May 1. In case the request is granted, a refund will be due policyholders.

### REVISE MISSOURI RULE BOOK

A revised and modernized rule book has been brought out by the Missouri Inspection Bureau. The book has not been revised since the fire rate controversy started about 13 years ago. A new rule provides that inherent explosion hazard may be assumed under specified clause without additional premium in the same policy which covers the direct loss or damage by fire in dwellings. A new single profits insurance form limits liability to actual loss of profits and/or commissions sustained by insured. A new supplemental contract extending coverage of the fire policy to include loss or damage by wind-storm, cyclone, tornado, hail, explosion, riot, air-craft, self-propelled vehicles and smoke damage at a substantial saving is provided.

Rules have been revised to include attachment of hail clause without extra charge (with a few exceptions) on wind-storm, cyclone and tornado coverages.

The Washington General Agency of Seattle has established a new branch at 535 Mead building, Portland. Neil Baldwin is in charge with L. J. Gregg as underwriter.

## A Progressive Non-Conference Stock Casualty Company

ATTRACTIVE AUTOMOBILE  
RATES THAT WILL GET AND  
HOLD BUSINESS

## UTILITIES INSURANCE COMPANY

A STOCK HOME OFFICE COMPANY  
BROADWAY AND LOCUST ST. ST. LOUIS, MO.

Direct contracts available for conservative  
and successful agents in Illinois, Indiana,  
Iowa, Missouri, Nebraska, Colorado,  
Oklahoma, Tennessee and Texas.

Successful Management

On Top Financially

## FREEPORT MOTOR CASUALTY CO.

(A Stock Company)

HOME OFFICE—FREEPORT, ILL.

"Because of unique financial stability and an undisputed record of prompt and equitable claim service, car owners have been furnished with dependable insurance."

Direct Contracts Available  
for Reliable Agents.

Assets (June 30, 1935) \$926,894.21  
Capital & Surplus 508,323.45

**New Amsterdam**  
Casualty Company

A Progressive Surety and Casualty Company



**COVERING  
A TERRITORY**  
*Thoroughly* **THE**  
**GENERAL AGENTS' WAY**  
*-an Excellent  
Way for YOU!*

● An insurance specialist in his territory—that's a General Agent. He knows every step of it, covers it thoroughly, is familiar with local conditions, and is always ready to help you as a Local Agent, and not compete with you. Find out today about the General Agent's way—write the office nearest you or the American Association of Insurance General Agents, Travelers Bldg., Richmond, Va.

### ARKANSAS

Coates & Raines, Inc.  
Little Rock

### CALIFORNIA

Edward Brown & Sons  
San Francisco

### FLORIDA

Bradfield & Rhudy  
Jacksonville

### KANSAS

Kansas Underwriters  
Wichita

### KENTUCKY

Bradshaw & Weil Gen.  
Agcy. Co.  
Incorporated  
Louisville

### MISSOURI

T. W. Garrett, Jr.  
Gen'l Agcy., Inc.  
Kansas City

### SOUTH DAKOTA

John M. Cogley, Inc.  
Sioux Falls

### TEXAS

Trezevant & Cochran  
General Agents Since 1876  
Dallas  
Cravens, Dargan & Co.  
Houston

Like a family doctor the General Agent nearest you is worth knowing. It will pay you to become acquainted with him.



## St. Louis Conference Held by Agents on Conditions

(CONTINUED FROM PAGE 6)

the rules and regulations governing the business in St. Louis. It was this committee that conferred with the governing committee of the Western Underwriters Association at Chicago. It is composed of Lester Bright, Lawton, Byrne & Bruner, chairman; Art Felker, Laclede Insurance Agency; Don Hemmenway, Insurance Agency Company; Ed. Marsh, Jr., Case, Thomas & Marsh; J. J. O'Toole, F. D. Hirschberg & Company and O. D. Prowell, Capen & Co. The committee held another meeting here last night. It stated that its final plans have not yet been perfected but that the committee members are confident that when the proposed new rules and regulations are finally submitted to the insurance people of St. Louis they will meet with universal approval as they are designed to remove all of the sources of the pertinent criticism concerning existing conditions in the business here. The committee emphasized that some press reports concerning the Chicago gathering were slightly in error concerning subject matters discussed. It was stated relationship of the Fire Underwriters Association of St. Louis and the organization of Class 2 agents known as the Associated Fire Insurance Agents & Brokers of St. Louis was not and is not a subject of discussion. Neither did the conference take up marine insurance.

The committee feels all St. Louis producers have been affected by the chaotic conditions that exist in insurance, and members hope something of benefit to all concerned will result from the deliberations in Chicago and here.

## Average Cut of 10 Percent in Chicago Fire Rates Seen

(CONTINUED FROM PAGE 3)

employed. He said he favors use of some title that would make it seem to be more a part of the fire policy, rather than to indicate something extra.

August Torpe, Jr., voiced objection to the rate reduction program. He said he had always specialized in risks of the minimum tariff class and had never encountered any objection to the rate. He contended that the companies should build up their surplus and reserves from their profits in these days of low loss ratio so as to be prepared for losses in the future. After making that objection he left the room and consequently did not cast a dissenting vote.

In answer to a question, President Buresh estimated that the average rate reduction would be 10 percent. The heaviest cut will be on the rate for exposed frame dwellings.

### See Demand for Cash

Fire insurance people were disturbed by the followup story in one of the daily papers that was garbled, indicating that policyholders will be allowed a cash rebate on the pro rata basis. What the board will probably do will be to allow the credit to be taken in the form of extended insurance. Agents fear that the publicity will cause a deluge of demands from policyholders for a cash return.

Mayor Kelly was also quoted as saying that the fire losses for the first six months of 1934 were about \$9,000,000, whereas for the same period this year they were only \$1,500,000. Insurance people assume that the quoted figures for this year are wrong and that the losses are much more than that.

Probably the \$1 service charge that is collected on small policies in Chicago will be abandoned. The brokers have been clamoring for rescinding that rule. It was put into effect in the midst of the depression when the agencies were besieged with returned policies and when there was a great tendency to rewrite term business on the annual basis. The

agents found their overhead mounting on a declining volume and put through the \$1 service charge. This has meant an extra revenue of thousands of dollars to the offices. The \$1 goes to the class 1 agent and the broker does not participate.

The matter of working out the details of the rate reduction was delegated to the so-called advisory committee of the Chicago Board, consisting of C. R. Tuttle, North America, W. D. Williams, Security of New Haven, E. A. Henne, America Fore, L. E. Yager, O. E. Aleshire and Mr. Buresh. The committee held its first meeting Monday of this week.

### Held All Day Meeting

The advisory committee met all day Monday going over the proposition and will present a report to the directors of the Chicago Board in a few days. The agents' committee consisted of O. E. Aleshire, L. E. Yager and Charles Buresh. E. A. Henne, America Fore, and W. D. Williams, Security, constituted the company committee as C. R. Tuttle could not be present. The committee went over the question of reduction in rates on all classes of dwellings and small mercantile risks with the rating experts of the local board. The greatest reduction will be on frame dwellings especially where there are now exposure charges. The board of directors has power to act and undoubtedly will follow the recommendations of the advisory committee.

## Pacific Board and Veterans Welfare Group in Agreement

(CONTINUED FROM PAGE 2)

tion the liability of each bears to the liability of all remaining companies.

In consideration of the companies agreeing to issue and be bound by the automatic coverage, the Veterans Board agrees to place all insurance on properties now owned by it and properties in which it will acquire an interest, in companies participating in the agreement. It will reject all policies covering the same hazards which may be offered by veterans purchasing properties within the provision of the California veterans welfare act, if such insurance is not issued by one or more of the signatory companies.

If, at the time of loss any property described in a certificate is also otherwise insured against the same hazards, the entire loss shall be paid by the company issuing the certificate. In any event, the company paying the loss shall be subrogated to all rights of recovery the insured may have against any other insurer on account of the loss, but only to the extent the loss under the certificate was increased on account of certain provisions of the agreement.

### Granted Right of Inspection

The companies have the right of inspection at any time, both of properties and records of the Veterans Board pertaining to certificates and insurance transactions.

Practical operation of the agreement will be in the hands of the Veterans Board and a standing "contact committee" of the Pacific Board appointed by Joy Lichtenstein, Pacific Coast manager Hartford Fire and president of the Pacific Board, who has taken prominent part in consummation of the agreement. The committee is to consist of the Pacific Board president, vice-president and chairman of the executive committee. Details of the agreement were in the hands of a committee consisting of Elmer Bonstin, Pacific National Fire; C. I. Magill, Home of New York, and R. L. Ellis, of Rolph, Landis & Ellis.

Following the death of his father, W. W. Ackerman of Wauseon, O., C. C. Ackerman took the state examinations and qualified, whereupon he was appointed agent for the companies which his father had represented.

## AMERICAN REINSURANCE CO.

Robert C. Ream, President

99 John Street

New York

DECEMBER 31st, 1934

CAPITAL .....	\$1,000,000.00
Surplus (at Market Values) .....	2,574,975.70
Voluntary Catastrophe Reserve .....	500,000.00
Reserve for Losses .....	2,690,601.13
Contingency Reserve .....	48,127.58
All Other Liabilities .....	1,110,130.69
TOTAL ASSETS .....	7,923,835.10

NOTE: Securities carried at \$739,222.50 in the above statement are deposited as required by law.

## CASUALTY RE-INSURANCE

### Fidelity and Surety Bonds

## SEABOARD SURETY CO.

80 JOHN STREET . . . NEW YORK

C. W. French, President

WESTERN EXECUTIVE OFFICE

175 West Jackson Blvd., Chicago, Ill.

G. B. Slattengren, Manager

CAPITAL \$1,000,000

Opportunities *Income*  
for Salesmen in  
**48** *Insurance*  
States *Specialists*  
• NORTH AMERICAN ACCIDENT  
INSURANCE COMPANY • 209 SO. LA SALLE STREET  
CHICAGO

1915

1935

## ECONOMY AUTO INSURANCE COMPANY

(All That the Name Implies)

A New Stock Casualty Company With a Twenty  
Year Experienced Management

Automobile Coverage Exclusively—Standard Policies  
Economy Auto Insurance Company—Freeport, Illinois

(Contracts Available to Illinois Agents)

Thirty-Three Years—Through Thick and Thin

**AMERICAN CASUALTY COMPANY**  
READING, PENNSYLVANIA

● Experience gained through meeting many and varied conditions removes the always dangerous snap-judgments and vacillating practices that bring gray hair to agents' heads.

A Stock Company

Incorporated 1902

Supporting the American Agency System ever since

## DIRECTORY OF LEADING LOCAL AGENTS

### ILLINOIS

#### CRITCHELL, MILLER WHITNEY & BARBOUR

Established 1868

Insurance Exchange Building  
CHICAGO

#### Eliel and Loeb Company

Insurance Exchange

Chicago

#### FRED. S. JAMES & CO.

Established 1872

Insurance Exchange Building  
Chicago

### LOUISIANA

#### LEON IRWIN & CO., Inc.

Unexcelled Insurance Facilities

NEW ORLEANS, LA.

### MICHIGAN

#### Detroit Insurance Agency

G. W. Carter, Pres.

H. L. Newman, Vice-Pres.

Louis J. Lepper, Sec.-Treas.

Fisher Bldg.

Detroit, Mich.

### MISSOURI

#### Lawton-Byrne-Bruner

INSURANCE

Saint Louis

### NEW YORK

#### CENTRAL FIRE AGENCY, INC. (Underwriting Agency)

Risks accepted throughout the United States, Canada, Cuba and Porto Rico  
92 William Street, New York City

### OHIO

#### Walter P. Dolle & Co.

"Insures Anything Insurable"

Dixie Terminal Bldg.

CINCINNATI

Submit Your Propositions to Us

### WEST VIRGINIA

#### J. F. Paull & Company

GENERAL AGENTS

Rooms 508-9-10 Board of Trade Bldg.

Wheeling, W. Va.

Ohio, Pennsylvania and West Va.  
Business Solicited

### WISCONSIN

#### Chris Schroeder & Son Co.

86 Michigan St. MILWAUKEE

Engineering Service—All Lines

The largest insurance agency in the State of Wisconsin

## All-Inclusive Form Seen As Inevitable

(CONTINUED FROM PAGE 1)

growing appreciation by many commissioners that statutes of their states are archaic and should be brought into line with modern business demands.

Recognition of this fact is seen in the code revisions recently adopted in Indiana, proposed in Illinois and other states and recommended for New York. Business is conducted along lines undreamed of when the existing insurance laws of many states were enacted, and amendments which have been adopted from time to time scarcely meet the situation, resulting in a patchwork of laws and obscurity of meaning.

### Cite Automobile Comprehensive

The fire automobile writing companies sensed the demand of assured for a broad form of indemnity, and issuance of the comprehensive policy 18 months ago was the result. The ready sale of this contract and satisfactory experience both by carriers and assured, justifies the wisdom of the course.

If company officials would draft an all-inclusive fire policy and present it to any one of several prominent states, the conviction is that no great difficulty would be encountered in having the laws amended to permit writing it. With such a start, other states could be counted on to fall in line.

## W. U. A. Sends Bulletin on Cancellation Procedure

(CONTINUED FROM PAGE 1)

intention of the company to cancel, accompanied by the unearned premium. In what manner this is accomplished is a question for the company or its agent to decide. One way is as good as another, provided the result desired is obtained, and is provable.

Others who object to use of form No. 3817 observe that a notice sent by regular mail which reaches the assured and delivery of which can be proved is just as good as a registered letter notice.

"But how is this to be proved?" they ask. A good many of those to whom a company is compelled to send cancellation notices are unreliable in some way or other and would include a good many who would not hesitate to go on the stand and swear to anything in a suit against an insurance company.

Even though the precaution of registered mail is taken, difficulties arise. For instance, there is a case in which cancellation notice was sent by registered mail in proper form and return receipt for the registered letter reached the company through the post office in the regular way. A few months later the property burned and claim was made. The company undertook to rely upon the receipt but the assured swears he never signed that receipt and that the letter was signed for by his brother and never given to him. The carrier who made the delivery is dead. The question of whether a cancellation notice was or was not received is purely one for the jury, critics point out and insurance companies notoriously do not fare well at the hands of juries.

## Pennsylvania Commissioner Calls for Automobile Data

(CONTINUED FROM PAGE 31)

sufficient arguments for the need of a bureau to stabilize the business, place it on a sound basis and eliminate rate-cutting and rate wars.

The commissioner is especially interested in ascertaining experience of non-bureau companies in Philadelphia. Some companies have set the suburban dividing line almost in the center of the city. Others quote a \$10 and \$15 rate in the suburbs.

He believes a city rate should be

charged motorists in the sections now being given the lower suburban rate, and also many suburban residents use their cars in the city to as great or greater extent than city dwellers and the ridiculously low rates some companies are charging are entirely out of order.

The situation in the center of the state is equally acute, however, the commissioner will not make any observations or rulings until he has studied rate schedules and experience.

## Illinois Code in Lap of the Gods

(CONTINUED FROM PAGE 1)

insurance laws. He said that some of the old ones are faulty and urged that a revision be made.

Rockwood Hosmer, Chicago, chairman of the legislative committee of the Illinois Association of Insurance Agents, who is also a member of its special code committee, advocated taking the rate section out but said that otherwise the local agents were not objecting. They had put up a fight against the London Lloyds section in the former code but in the revised instrument, he said, while it was not as the agents would have it, the provision was much better than the existing one.

Gale Reed, Chicago, chairman of the legislative committee of the Insurance Brokers Association, said that some form of revision and codification of the insurance laws is highly necessary. He characterized the present code as a sound measure and "the most constructive piece of legislation that the assembly can support."

### Other Speakers Heard

Other speakers who upheld the code were C. S. Mosher, representing the Sears, Roebuck & Co. insurance organizations; Vice-president Henry Abels of the Franklin Life; Chase M. Smith of the Jas. S. Kemper office at Chicago, representing the mutual, casualty, fire and automobile companies; J. S. Baldwin, Decatur, attorney representing the insurance division of the Illinois chamber of commerce; E. V. Mitchell, general counsel Continental Casualty and Continental Assurance of Chicago; A. V. Gruhn, manager American Mutual Alliance.

State Director Ernest Palmer indicated that he was willing that the rating section be lifted from the code and put in a separate bill but he said it would be up to the senate committee to decide what it desired to do.

### No Further Hearing

The senate committee was slated to consider the various arguments and proposed amendments this week but indicated there would be no further public hearing unless something arose to demand it.

The Chicago Bar Association insurance committee has been working with a similar committee from the Illinois Bar Association studying the insurance instrument as a whole. Attorney M. B. Kennedy of Chicago who has been giving much study to the code, stated that he would file a minority report opposing it.

## Non-Breakable Glass Gives Window Display Protection

Underwriters assuming the theft hazard on jewelry stores have been particularly interested in the new non-breakable glass handled by Louis Fischer, Inc., of New York City, since widespread use of this type of glass would seriously check activities of robbers of the "smash, snatch and run" variety, whose operations in the past have proved so expensive to insurance companies. This glass, as was shown in a recent demonstration, is almost indestructible and permits clear vision and display of gems, jewelry, furs and other valuable articles in shop windows. Louis

## NEED FOR A SLOGAN

A simple statement like "Stop Saving Seconds and Losing Lives" will, in my opinion, make more people safety conscious, will have more chance of arousing action than all the complicated arguments you can bring to bear. A slogan like this is like the humor of a Will Rogers or a Sidney Smith. Homely, direct, it paints the picture with broad stripes and in a flash, the thought is plain to millions. Elaborate it, clutter up the meaning with fussy details and your thought may be more complete, more precise, but it won't get across.—Stanley F. Withe.

Fischer, Inc., is an old established house which for years has specialized in making plate glass replacements for casualty companies and has a reputation for efficient service.

## Service Office Is Opened

A service office providing claims, inspection and payroll audit facilities has been opened in the Insurance Exchange, Chicago, by the Commercial Standard. R. L. Lawlor is in charge.

Vice-president J. R. Plummer was in Chicago several days last week supervising installation of the office. W. L. Farrell of the home office claim department is in Chicago and will remain for about two months in building up the service.

Mr. Lawlor is an experienced man. He formerly was connected with the Kemper group of companies. The new service office considerably augments the facilities available through the Commercial Standard's general agencies there, Henry S. Slipner & Co., George R. Hess & Co., and W. D. Curtis.

## "Selling Disability Insurance"

A book prepared for the Accident and Health Salesmen by men who know how to sell this coverage.

By S. E. BELFI and others

This may be called a field manual for disability producers and it is packed full of good sales suggestions, sales talks, and alibi killers. The eight sections comprising the book are:

APPROACH—Presenting the Policy in a Businesslike Way

SALES TALKS—A Group of 31 Proven Presentations

MEETING EXCUSES—Courteous, Direct Answers to 86 "Alibis"

PRACTICAL FIELD SUGGESTIONS—Covering Agency Building, Advertising Plans, Elimination of Lost Motion, Collections, Lapses, etc.

"ICE-BREAKING"—Sales Letters—Types Used In Selling Professional Men and Those in Varied Walks of Life

POSSIBILITIES OF THE BUSINESS

SALES PORTFOLIO FOR SELLING GROUP

BUILDING A FUTURE.

Experienced agents as well as new producers will get many suggestions from this latest book on the subjects to enable them to solicit disability insurance more effectively. The book contains 150 pages and is attractively bound and printed with apt illustrations. Page size 5 1/4 x 8 1/4 inches, prices \$1.50 for one copy; 12 copies, \$1.40 each; 25 copies, \$1.30 each; 50 copies, \$1.20 each; 100 copies, \$1.10 each. SEND YOUR ORDER TO—

THE ACCIDENT & HEALTH BULLETINS  
420 E. Fourth St., Cincinnati, Ohio

Send me ..... copies of "Selling Disability Insurance" at \$1.50 per copy, postpaid, for which I enclose \$..... (in currency, money order or stamps).

Name ..... (Please print)

Street .....

City..... State.....



# What to Say

Every so often a company official has said to us, "If we did advertise in your paper, I wouldn't know what to say, what kind of an ad to run that might be effective."

What a confession to have to make! If the active, executive officer of a company does not know what there is to be said in favor of his institution, who does?

Suppose the same official were trying to make a desirable agency appointment; he would be able to give the prospective agent a dozen reasons why he should represent his company. He would be full of persuasive arguments. He might even resort to coaxing, pleading and a few forgivable flights of imagination.

Whatever there is to be said about a company during an interview looking toward an agency appointment, can just as easily be put down on paper. With the overstatements out, it will always constitute a readable, attractive advertisement.

Writing an advertisement is as easy and simple as writing a letter, if the one who is to write it will forget that it must be "artistic," or printed in some special style and size of type. Neither should anyone believe that to be successful an advertisement must feature prominently the picture of a pretty girl, or the beauties of nature.

The first, and almost the only rule, is, "Have something to say". If you have, and if you will say it honestly and sincerely, it will be read.

If you haven't, if your company is so colorless and so completely undistinguished, you can think of nothing regarding it that might be interesting to prospective agents, then don't advertise.

We believe that there are few companies indeed in such a low and unredeemable state. Every company that is going to stay in business has its own story to tell, its own special points of interest to emphasize. If you can paint an attractive picture of your company conversationally, you can do so in a series of advertisements.

Remember that if you are publicizing your company only through the conversations of your field men, you are spreading your story at a snail's pace. It is being heard only a few times each week. Say the same thing every week in *The National Underwriter* and it will be read by thousands of the best agents in every part of the country.

*No. 6 of a series devoted to the merits  
of National Underwriter Advertising*

## The National Underwriter

*The leading weekly insurance newspaper*

E. J. WOHLGEMUTH  
President



C. M. CARTWRIGHT  
Managing Editor

# Great American Insurance Company New York

INCORPORATED - 1872

W. H. KOOP, President



## OLD FASHIONS AND NEW

*We can properly be proud of being old fashioned*

In the soundness of the company's underwriting policy;  
In its friendly consideration for agents and their needs;  
In its adherence to every rule of correct practice;  
In its unquestioned financial standing,

*Yet feel an even greater measure of pride in that*

The company's well proven policies have always been  
so easily adapted to the requirements of the day.

*Today's business needs are not those of a few years ago.*

NEW IDEAS must develop; new methods are needed,  
but the basic principle of fair dealing with agents and  
policyholders can never change.

### WESTERN DEPARTMENT

310 South Michigan Avenue :-: CHICAGO, ILL.

C. R. STREET, Vice President G. D. GREGORY, Secretary